

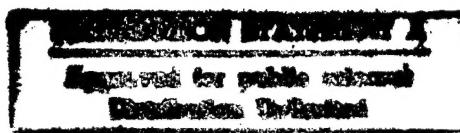
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South and East Asia Report

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21 October 1982

SOUTH AND EAST ASIA REPORT

No. 1204

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AUSTRALIA

AUSTRALIAN AIRCRAFT CARRIER PLANS EXAMINED

Rangoon THE WORKING PEOPLE'S DAILY in English 8 Sep 82 p 3

[Text]

CANBERRA, 6 Sept—Australia, which is considering buying an aircraft carrier for the Royal Australian Navy, will not decide among several possible sources of supply before December at the earliest, defence officers said.

This was the comment from Defence departmental officers today on a report from Madrid that Australia has placed an order with the Spanish Bazan Shipbuilding Company.

Australia has at least three other possible sources of supply, including the United Kingdom. The decision papers are being prepared for meetings of the Australian Government in late November.

The Minister of Defence Ian Sinclair told an Air Force association conference at the week-end: "We hope by November to receive a report from a defence task force on carrier options."

Sinclair said that defence operations would be reduced to release more finance for capital equipment within the existing economic restraint budget.

Sinclair recently told Parliament the whole subject of Australian naval defence has come under review after the UK Government decision to retain *HMS Invincible* following the Falklands war.—NAB/AFP

CSO: 4200/9

DEFECTORS SAY COMMUNISTS FORCIBLY RECRUIT YOUNGSTERS

Kuala Lumpur BUSINESS TIMES in English 9 Sep 82 p 19

[Article by Min Thu in Rangoon]

[Excerpts]

DEFECTIONS to the government side have exacted a heavy toll on the fighting capability of the pro-Peking communist rebels, according to reports in the government-controlled media.

One of the reports said 24 former rebels, who recently surrendered, claimed the communists are forcibly recruiting boys, most of them 10-15 years old, to beef up the rebels' ranks.

The surrenderers said they belonged to the rebel battalion "4047" operating in the Mongkaing area in the Shan states on the Burmese border with China. They said new recruits are being paid 10 kyats (about US\$1.42) a month.

The rebels have given villages a certain quota of recruits that they must fill up. If the quota is not met, the villagers are forced to shell out cash to make up for the deficiency.

The surrenderers included the deputy commanding officer of the rebel group in the area, a political commissar and 22 youngsters mostly under 15 years of age.

They told government authorities that by defecting, they took the risk of being killed by government forces. They said they had been "brainwashed" by their former comrades into believing that government troops kill all surrenderers without exception.

They said their main

reason for defecting was the inhuman treatment they received from the communist cadres. The case of Aik Awe, 12, is an example. He said he was forced to join the rebels because they threatened to kill his parents unless they let him go, or shell out 4,000 kyats (about US\$540) in exchange for his freedom.

Since his family did not have the needed amount, he had to join the rebels. The young ex-rebel said that despite their promise not to harm his parents, the communists gunned them down in cold blood.

Another youth, Aik Yin, said he was given an M-16 rifle three days after he was forcibly conscripted by the communists. He said the day he was given the weapon, the rebels and government troops clashed.

Being inexperienced, he was left in the battle zone while the rebels slipped away from the rear. Aik Yin said that when the communists arrived in his village, they demanded that the residents pay "taxes" in exchange for two recruits.

Fearful that the communists would burn down the whole village, the village elders decided to pool their resources together and they bought him for 3,000 kyats (US\$405). Then he was sent away with the rebels.

He said communist leaders usually order vil-

lagers in the remote and economically backward areas to grow opium. What the villagers earn from the opium trade is used to buy radio cassettes, horses, bullock-carts and other items for the personal use of the rebels.

Rape and forced marriages are rampant, according to surrenders. Many village girls have been victims of sexual abuse by the communist rebels.

The government has insisted that the rebels' attitude toward the hapless villagers has gone from bad to worse. The ideological rhetoric still reverberates in the communist propaganda but the Burmese communist movement has been reduced to mere outlawry without any political philosophy.

The communist strongholds have been confined to the rice bowl of the Irrawaddy Delta region and the Pegu Yoma range.

On March 15, 1975, the two ranking leaders of the communists in Burma, Thakin Chit and Thakin Zin, were killed in a clash with government troops. Thus ended the communist dominance in the Irrawaddy and Pegu Yoma regions.

The remnants of the original communist military arm abandoned the delta and Yomas. They have joined forces trying to establish a "liberated area" on the east bank of

the Salween in the Shan states.

However, the link-up has not been entirely successful because of the relentless anti-dissident campaign of the Burmese government, said an official spokesman.

The Burmese Army has been waging an undeclared war against the communists, and the ferocity of the armed struggle has been unknown to the rest of the world.

There had been several efforts to end the hostilities, all of them ending in failure. The first negotiations took place in June 1963, but six months later, the talks bogged down.

Most of those who participated in the 1963 peace talks and who returned to Peking were reportedly executed during the Cultural Revolution.

Similarly, most of those who remained in Burma have been killed in clashes with government soldiers. Last year, the communists proposed another round of peace talks. Negotiations also bogged down because the government found the communist demands unacceptable.

The communists demanded government recognition of the existence of the Burmese Communist Party, its armed forces and the so-called "liberated areas."

Depthnews

KGB CONNECTION TO FIJI ELECTION PROBED

Sydney THE SYDNEY MORNING HERALD in English 5 Sep 82 p 1

[Article by Lorenzo Boccabella]

[Text] Fiji's Prime Minister plans a judicial inquiry into allegations that the Russian KGB and other foreign interests paid money to the Opposition in the country's recent election campaign.

The Prime Minister, Ratu Sir Kamisese Mara, said yesterday that ethnically Indian-dominated National Federation Party had received campaign funds from the KGB.

The Indian High Commission in Fiji had helped the Opposition obtain other funds from sources in India, he said.

But the Deputy Opposition Leader, Mrs I. Narayan, described the allegations as nonsense.

"What the (governing) Alliance Party is trying to do is to paint the NFP as pro-Russian so that countries like Australia, New Zealand and the US get together to help them stay in power," she said.

Fiji's Cabinet will meet later today to decide the terms of reference of the judicial inquiry which will be possibly headed by a New Zealand judge.

Ratu Mara said yesterday that the husband of the former Indian High Commissioner to Fiji, Mrs S. Kochar, had been an intermediary in obtaining the funds.

The Prime Minister said that Mr Kochar used to work for the Indian Government in London as the supplies officer for the embassy.

The Prime Minister alleged that because of his dealings with the Russians as a supply officer Mr Kochar had been asked to retire.

"There is an assumption that his contacts with the Russians has been maintained," he said.

"There is no proof of this connection while he was here and it is not quite known where he got the money, but he certainly brought it from India."

Ranjan Gupta reports from New Delhi that an Indian External Affairs spokesman has described the allegations as "unadulterated rubbish." The spokesman doubted if Mr Kochar had ever worked for the Indian foreign service.

Among specific allegations that Ratu Mara made yesterday was that on June 26 this year Mr Kochar had met NFP officials in Sydney and handed over \$55,000.

The Prime Minister also alleged that an NFP member went to Honolulu to meet a KGB contact.

"There have been transfers to the NFP from the KGB but how it has been transferred to NFP is not clear."

He alleged also that the NFP had received \$25,000 from Canada through a Mr Naidu of Naidu Enterprises in Los Angeles.

Ratu Mara had also complained to the Indian Government that its High Commissioner in Fiji, Mrs Kochar, had continually supported the NFP during her stay in India.

The Prime Minister's allegations must be considered in the context of the racial politics of Fiji.

The country is almost equally divided into two racial groups — indigenous Fijians and ethnic Indians who were imported to Fiji in the 1870s to work as indentured labourers on the sugar plantations.

Voting since independence in 1970 has always followed racial lines and in the elections last month the indigenous Fijian-dominated Alliance Party narrowly retained office after losing eight seats.

A big issue in the campaign had been the involvement of Australian aid officials and Australian and US businessmen in developing election strategy for the Alliance Party.

Ranjan Gupta also reports from New Delhi that the Indian External Affairs spokesman said: "The Indian Government would not make a formal comment until it had the text of the interview but if the [Fijian] Prime Minister has indeed made those remarks it is a departure from the cordial relations that have existed between Fiji and India. The Prime Minister, Mrs Gandhi, was in Fiji last year and had useful talks with the Fiji Prime Minister. It is a departure on his part and is certainly surprising."

The official added as far as the Indian Government was concerned the people of Indian origin in Fiji were Fijians.

FIJI IMPOSES BAN ON SOVIET SHIPS

Melbourne THE AGE in English 6 Aug 82 p 8

[Text]

SUVA, 5 Aug. — Soviet ships have been banned from Fiji ports after having had virtually unrestricted access to them for many years.

The ban was confirmed by the Prime Minister, Ratu Sir Kamisese Mara, yesterday in an interview with the 'Fiji Times' newspaper.

He discussed his allegation that up to Fiji \$1,000,000 (A\$67,194) had been channelled from Soviet sources to the opposition National Federation Party to finance its campaign in a recent general election.

Mr John Eastgate, a director of Seatrans (Fiji) Ltd, a Suva company which acts as sole agents for Soviet vessels, said three ships had been denied entry.

The Foreign Minister, Mr Qoni-baravi, said Fiji had not so far decided how far it would go in banning Soviet ships. Decisions on the admission of others would be made as applications for authority for them to call were received.

Ratu Mara told the 'Fiji Times' he became aware of Soviet involvement in the election during his visit to Australia last week.

He said it was possible that the National Federation Party "did not know where the funds were coming from, but in the next few days I will be able to answer this question."

The Opposition Leader, Mr Jai Ram Ratu Mara told the 'Fiji Times' that charges and demanded substantiation of them.

Patu Mara told the 'Fiji Times' that Mr Hari Kochar, husband of the former Indian High Commissioner to Fiji, Mrs Soonu Kochar, was a go-between the NFP and Soviet agents and had passed \$A48,000 to an NFP official at a meeting in Sydney. He claimed that another official of the NFP had had a meeting in Honolulu with a Soviet KGB representative. — AAP-AP.

CSO: 4200/9

FRENCH POLYNESIA

SELF RULE FOR NEW CALEDONIA NOW A HOT ISSUE

Sydney THE SYDNEY MORNING HERALD in English 9 Sep 82 p 3

[Article by John Coomber]

[Text]

ROTORUA, New Zealand, Sunday. — The issue of independence for French-ruled New Caledonia loomed tonight as a threat to harmony in the South Pacific Forum, which begins tomorrow.

The Prime Minister of Vanuatu, Father Walter Lini, accused New Zealand of putting its own economic difficulties before human rights. "New Zealand is much more concerned with its economy than the human rights which New Caledonia is concerned about," Father Lini said.

"The New Zealand public is actually very much in front on human rights. The government system is somewhat behind in supporting moves for independent territories."

Father Lini's statement countered earlier suggestions from the New Zealand Prime Minister, Mr Muldoon, and the Australian Foreign Affairs Minister, Mr Street, that the decolonisation of New Caledonia would not be a "hot" issue.

The forum will hear a report from the Fijian Prime Minister, Ratu Sir Kamisese Mara, who led a delegation to Paris earlier this year to evaluate President Mitterrand's stance on independence for the French Pacific territories.

Ratu Mara was impressed with Mr Mitterrand's attitude and the speed which France began implementing procedures towards decolonisation.

This led Government sources to believe that the forum would adopt

a "soft" line on the issue, allowing France to take the initiative, and to monitor progress.

However, Father Lini made it clear tonight that Vanuatu would urge more positive action from the forum. "It is our view that France has not gone far enough," he said.

Father Lini said governments of countries such as New Zealand and Australia were less committed to the cause of independence because of their trade links with France and the European Economic Community.

He also raised the point that delays in establishing the independence of countries such as New Caledonia jeopardised the security of the South Pacific region, and expressed fears that the current state of confusion could encourage Eastern Bloc countries to assert their influence.

The stance taken by Father Lini, the outgoing forum chairman, belied the suggestion by Mr Muldoon that there was agreement on all the major issues.

Mr Muldoon told journalists that today's preliminary discussions had "broken the back" of the major issues, and that only the details were left to be cleared up in the two days of the forum proper.

The Australian Prime Minister, Mr Fraser, was absent from all the preliminaries. He was not due to arrive in Rotorua until late tonight after spending two days in Manila recovering from a serious bout of influenza. Mr Street led the Australian delegation at today's discussions.

CSO: 4200/9

DEMOCRATIC SOCIALIST CHAIRMAN HOLDS NEWS CONFERENCE

Bombay THE TIMES OF INDIA in English 5 Sep 82 p 6

[Text]

AGRA, September 4: Mr. H. N. Bahuguna, chairman of the Democratic Socialist Party, has blamed the Prime Minister, Mrs. Indira Gandhi, for "making a mess of the country's nuclear development programme because of her Tarapur *faux pas* over French supply of nuclear fuel."

Addressing a press conference here, he wondered why Mrs. Gandhi did not think it expedient to include Dr. H. N. Sethna, chairman of the Atomic Energy Commission, in her party of advisors during her visit to the U.S. where the controversial nuclear fuel supply agreement for Tarapur was being discussed at the highest international levels.

The result was that India was bogged under a jugglery of words and forced to enter into a three-tier arrangement under the new French agreement.

The clauses of the French agreement were worse than the contents of the original agreement with the U.S. for supply of nuclear fuel for the Tarapur plant till 1993.

POKHRAH IMPLOSION

The Indian team headed by the Prime Minister forgot the fact that France was also an active subscriber to the London Nuclear Club in which most countries with stockpiles of atomic bombs were members. This club, according to him, had held a meeting soon after the Pokhran implosion by India.

Mr. Bahuguna said that whatever be the international pressure, India should never surrender its rights to reprocess plutonium-rich spent fuel produced at the Tarapur nuclear power plant.

Mr. Bahuguna criticised Mrs. Gandhi for her reported statement at Lucknow defending the Bihar press bill. Her view on the journalists' agitation all over the country as being a mere farce only meant that she was "shying from the actual facts".

It was strange that in one breath Mrs. Gandhi said that she had not studied the Bihar press bill and on the other maintained that "this black bill" was not harsher than similar Acts in Tamil Nadu and Orissa.

CSO: 4220/7901

MINISTER INAUGURATES 'BIGGEST RAIL PROJECT' IN SOUTH

Bombay THE TIMES OF INDIA in English 3 Sep 82 p 5

[Article by V. G. Prasad Rao]

[Text] TUTICORIN, September 2

THE biggest railway project undertaken in the south in this century—the building of a broad-gauge line from Karur, passing through Dindigul and Madurai, down to Maniyachi from where it bifurcates to link the new major port of Tuticorin in the Gulf of Mannar and Tirunelveli town—has got off to a start.

Development in the deep south has been dragging because the area is served only by a metre-gauge railway system. This involves transshipment of goods from the broad-gauge system to the metre-gauge system at Karur and Tiruchirappalli, the two convenient broad-gauge points in Tamil Nadu. This necessarily means delay in the movement of machinery and goods, labour entailing extra cost and slow turn-round of wagons.

Some of these bottle-necks have been removed to an extent with the opening of the 86-km-long new broad-gauge line from Trivandrum to Kanyakumari via Nagercoil, and the 73-km-long new broad-gauge line from Nagercoil to Tirunelveli in two phases during 1979 and 1981. This has already provided the basic infrastructure for the speedier economic development of Kanyakumari and Tirunelveli districts.

The Karur-Tuticorin-Tirunelveli project, which is to be completed in five years at a cost of Rs. 43 crores if all goes well, is a giant stride

to close the vital gap in the broad-gauge map of the southern region.

As the railway minister, Mr. P. C. Sethi, said when he pulled a lever to inaugurate work on the project in Tuticorin on Monday, the new line would connect two more important cities of Tamil Nadu—Madurai and Tuticorin—with the country's broad-gauge system and would provide a tremendous fillip to progress in the Tuticorin-Tirunelveli hinterland.

The scheme, involving the construction of 326 km. of broad-gauge line will be implemented in two phases, the first consisting of three stages and the second comprising the fourth and final stage.

In the first stage, a parallel broad-gauge line from the existing broad-gauge railhead at Tirunelveli to Tuticorin via Maniyachi will be built. This 58-km. stretch is estimated to cost a little more than Rs. 7 crores. Benefits are expected to accrue within a year in the preliminary first stage itself when the broad-gauge line is extended from Tirunelveli to nearby Talaiyuthu. The huge cement plant at Talaiyuthu is the major supplier of the essential building material to Kerala. When the first phase is completed, Tuticorin harbour will have broad-gauge outlet to the rest of the country through Tirunelveli, Nagercoil and Trivandrum. The movement of cement and fertilisers (from the giant joint-sector Southern Petrochemical Industries Corporation Ltd. (SPIC)

at Tuticorin as well as imported commodities from the south to the north is rendered smooth without the headache of trans-shipping from one gauge to the other.

In the second stage, a new broad-gauge line from Karur to Dindigul will be laid in virgin territory over a distance of 73 km. at a cost of Rs. 11.1 crores. Work on the first and second stages will proceed simultaneously. The Tamil Nadu government has set up a special establishment for speedy acquisition of land, especially for the second stage, as work cannot proceed without the land being acquired first.

The third stage involves the construction of a parallel broad-gauge line from Dindigul to Madurai. The 69 km. stretch is estimated to cost Rs. 11.33 crores. In the second phase and the final fourth stage, the present 127-km. metre-gauge line between Madurai and Maniyachi will be converted into broad-gauge.

Apart from the immense benefits of rapid industrialisation and increased and quick movement of goods and passengers—the new completed line is expected to carry annually 60 lakh passengers and 4.2 million tonnes of goods—the broad-gauge line will foster closer social, cultural and religious links between the people of the south and the north, leading to greater national integration.

SOVIET OFFICIAL REVIEWS COOPERATION WITH INDIA

Bombay THE TIMES OF INDIA in English 6 Sep 82 p 6

[Text]

MOSCOW, September 5 (UPI).

THE seventh session of the Indo-Soviet economic co-operation will cover future aspects of development, collaboration in various fields and consider some of the practical steps in defining the methods of fulfilling existing plans concerning most important projects, according to Mr. L. V. Litvinenko, the Soviet foreign economic co-operation committee's deputy chairman.

Mr. Litvinenko said the new forms and shapes of collaboration on the compensation and production basis would be discussed as a part of the agenda of the coming session besides expansion of co-operation.

He described the period between the sixth and seventh sessions of the commission as "very fruitful" during which several significant contracts covering Vindhyachal thermal power station, coal industry, iron and steel and oil industries, had been signed.

Mr. Litvinenko, who is also member of the commission from the Soviet side, dwelling on the construction of the Vizag steel plant, expressed his confidence about the completion of first stage of the Rs 3,000 crore plant as per schedule.

The joint working group on the plant has tackled the main problem of carrying along the uninterrupted work to the second stage, he said.

He underlined the importance of the plant as evidenced by the erection of 32,000 cubic meter blast furnace which will be one of the largest in the world.

Mr. Litvinenko complimented India for having undertaken a challenging job for the development of oil production and exploration for the period ending in 1990. "The scope of Indo-Soviet joint work has grown by two to three times," he said.

He said the Soviet Union derived its oil, mostly from inland areas,

and emphasised the importance of the elaboration of the joint project report mapping out the course of oil development till 1990 which covered and defined main directions and trends in the joint work including drilling of new wells, geological prospecting of various regions and re-activising the wells.

PRIVATE SECTOR LAUDED

He said the Soviet Union's attitude was not negative although its traditional field of collaboration with India had mainly been state sector. "Three private sectors in India have been making considerable contribution to the development of the Indian economy," he said.

"Our co-operation with private sector can expand and we had presented an exhaustive list of areas of mutual collaboration during the visit of Indian industrialists to the Soviet capital last winter and we are willing to enter into collaboration with them," Mr. Litvinenko said.

He said the negotiations were taking place with the Tatas on some form of co-operation at Jamshedpur steel mills adding "We are also willing to enter into negotiations with other groups even for carrying out projects in the third country."

He said the areas where Indian private sector and Soviet Union could jointly work included production of building materials, iron and steel, textiles, electronics, paper and pulp, petro-chemicals, caustic soda etc.

"I am not revealing any secret by stating that Soviet people immensely love the Prime Minister Mrs. Gandhi and Indian people belonging to all walks of life," he said.

"We are eagerly looking forward to her visit to our country, which I am sure, will be a milestone in developing and deepening to the fullest extent all-sided links between the two countries," he added.

ANALYST DISCUSSES GANDHI STAND ON BIHAR PRESS BILL

Madras THE HINDU in English 5 Sep 82 p 2

[Article by G. K. Reddy]

[Text]

ONCE again the Prime Minister, Mrs. Indira Gandhi, is cross with the Indian press for its carping criticism of her Government without counting the blessings of her rule. She has again accused the press of ganging up with the Opposition in exaggerating the ruling party's lapses, over-playing the turmoils, displaying disrespect, fomenting disaffection, denigrating those in authority and in the process, sullying the country's image.

Mrs. Gandhi has also denounced the current agitation against the Bihar Press Bill as both misguided and motivated, saying that it was being aided and abetted by the Opposition. She has, no doubt, a point in posing the question why the very journalistic fraternity that is so excited over the Bihar bill did not raise its voice when similar legislation was enacted in Tamil Nadu and Orissa in more or less similar circumstances. She has, however, placed herself in an indefensible position by justifying the Bihar bill with a tacit acceptance of Dr. Jagannath Mishra's apologia that the existing laws were not adequate to deal with the evils of yellow journalism.

Standard argument

The Prime Minister continues to maintain that the press in India enjoys more freedom than anywhere else in the world, but it needs to be disciplined to learn the virtues of self-restraint and shed the false notion that in a democracy it has an obligation to assume an adversary role in the larger public interest. It has been her standard argument that freedom of press is not for the gratification of journalists alone, but should be used with discretion to serve a positive purpose. In attempting to create a better awareness of the rights and responsibilities of the people, the fourth estate should be equally mindful of the constraints on the powers and consequent limits on the accountability of those in authority for everything that goes wrong in a country of India's diversity and dimensions.

But a great fallacy in Mrs. Gandhi's contention is the tendency to look upon the Indian

press as both a monolith and a monopoly bent on subserving some narrow private interests rather than espousing lofty public causes for the good of the people. This grossly misleading assumption has encouraged the Government to run down the press as a whole by lumping the good and bad together, and reacting indignantly to odious exposures of infractions in high places, while paying no attention to well-meaning criticism.

It has been deliberately shutting its eyes to the reality that the Indian press is in fact an extraordinarily diverse institution, with some of the publications displaying a high degree of responsibility and robust independence that is quite rare even in the more advanced societies of the West.

Basic conflict

The conflict between those who make news and those who report or comment on it is nothing new, since they seldom see any development the same way from their diametrically opposite positions. As James Reston pointed out in one of his noted lectures on the subject, the purveyors of bad news used to be sent to the gallows in the past because they were regarded as harbingers of some ill-omen. Now they are given Pulitzer prizes and hailed as heroes for digging out scandals and exposing the skeletons.

The basic conflict goes on despite changing concepts and wider acceptability of the watch-dog role of the press in a democracy. Almost all politicians have their grievances against the press and feuds with individual publications, but an alert press is the only safeguard against gross abuses of power in societies where politicians regard unquestioning support bordering on adulation as a hallmark of loyalty and patriotism. The competent and courageous investigative reporters who expose the wrong doings are inclined to be equally self-righteous at times to the point of resenting any counter-criticism.

It is admittedly difficult to examine dispassionately the role of the press in a democracy,

and more so in a developing society beset with all the evils of hypocrisy and declining moral values. No one can deny the need for some restraint against the evils of yellow journalism, but the country cannot also afford to indulge in double standards prescribing different degrees of morality and accountability for different social segments. The Bihar Press Bill empowers a magistrate to issue a non-bailable warrant against an erring journalist, but the law does not provide for similar cognisable action against those in authority indulging quite openly in corrupt practices.

Wrong assumption

The Prime Minister is wrong in assuming that press criticism is directed only against Congress (I) politicians, since the newspapers were no less critical of the infractions of the Janata leaders during their brief spell of office. It is not the opposition parties alone that have tried to pillory and persecute individual journalists for daring to criticise them, since the same sort of intolerance and vindictiveness was much in evidence during her Emergency rule.

It is no use waxing eloquent about the virtues of press freedom when it is comfortable, but denouncing it as an unmitigated evil when it becomes inconvenient. The politicians have to learn to live with the rough and tough of it, if they really believe in it.

The champions of press freedom are not tired of recalling Thomas Jefferson's famous remark that, if he had to choose between a government without newspapers and newspapers without a government, he would opt for the latter. There are others who try to buttress these memorable observations by recalling James Madison's word of caution that, though some degree of abuse was inseparable from the proper use of anything, it was better to learn to live with the misuses of the freedom of the press than tamper with it.

The real issue

The real issue in India is not whether anything can or should be done to prevent abuses of press freedom by some fringe elements in the fraternity indulging in sensationalism or character assassination, as Mrs. Gandhi put it. The actual threat to press freedom, the growth of responsible journalism, is posed by the restrictive policies of the Government, which have been thoughtlessly doing harm to the major newspaper establishments. It is high time the Government realised that responsible journalism could be sustained only through the growth of financially viable publications, which are independent of political patronage, not

through Government-supported publications with no worthwhile circulation.

The press also should take criticism in its stride without bothering too much about governmental displeasure. It cannot demand to be loved or admired, but it has a right at least to be understood by those who are criticised, as one eminent expert on the rights and obligations of the press put it. In the absence of any thunderous moral voices in public life, the main responsibility for preventing misuses of political power falls on the press in the sense that it has the duty to draw attention to more glaring instances of such infractions.

The Prime Minister, whether it is in her individual capacity as a political leader or as head of Government, has no reason to complain that she has been denied due coverage by the press for what she has to say on any issue. On the contrary, no comparable leader in any other country receives day in and day out such wide coverage. She used to hit the headlines even when there are very few instances, if any, of deliberate misreporting by the press of what she has said on any occasion, and the confusion that arises frequently over differing interpretations of her odd remarks is largely attributable to her own style of speaking and explaining away embarrassing issues.

Odious facts

The evils of yellow journalism cannot be curbed by enacting stringent press laws, but only by encouraging responsible journalism. The threat of arrest and detention of erring journalists can prevent publication of damaging details for some time, but the odious facts will get known sooner or later causing great harm. More harm was done during the Emergency by suppressing legitimate news which led to wild rumours destroying the credibility of the Government.

The Prime Minister and her advisers should consider all these aspects before clearing the Bihar bill even with some modifications. A too easily accommodating press which is ready to play second fiddle can be no substitute for a free press with all its imperfections. The press cannot be reformed unless the Indian polity also goes through a catharsis to rid itself of all the evils that have crept into the system after independence. And what can a free or servile press do to enhance the reputation of the individuals in power or improve the image of the Government in the face of indiscriminate fund collections and numerous other malpractices that have become an accepted fact of life?

INDIA

GANDHI SEEN TOUGHENING STANCE TOWARD OPPOSITION

Calcutta THE SUNDAY STATESMAN in English 5 Sep 82 p 1

[Text] New Delhi, Sept. 4.--Mrs Gandhi's recent moves, including the additions she has made in Thursday's Cabinet reshuffle, are regarded in political circles as a clear indication that the Prime Minister is toughening her posture towards the Opposition.

Mrs Gandhi began with a strong denunciation of the Opposition in her speech at the eve-of-session meeting of the Congress (I) Parliamentary Party. In her valedictory address to the CPP(I) as the monsoon session ended, she was equally vehement in criticizing the Opposition.

In between, the Prime Minister was present, personally this time, to reply to the censure motion brought against her Government in the Lok Sabha. She questioned the wisdom of the Opposition in bringing such motions before the House which only resulted in "wasting the time of the House and wasting the money of the exchequer". She had even expressed "reservations" about the functioning of Parliament.

Mrs Gandhi's denunciation of the Opposition was equally severe when she spoke on the Bihar Press Bill in a question-and-answer session in Lucknow on September 1.

What was significant in the Cabinet changes made soon thereafter was the inclusion of three members--Mr Ramchandra Rath, Mr Ashok Ghalot and Mr Ghulam Nabi Azad--Youth Congress (I) leaders who were close to Sanjay Gandhi. This has been interpreted as a response to her daughter-in-law, Mrs Nameka Gandhi threatening to float a new party in October, and the claim she made of two known "Sanjay followers" having joined the Sanjay Gandhi Vichar March. (One of them, however, has since retracted and returned to the Congress-I fold). The move is, obviously, to frustrate Mrs Maneka Gandhi's efforts to draw out any more "Sanjay followers" who might be feeling disgruntled, and demonstrates the strong posture Mrs Gandhi is adopting in the matter of dissidence.

CSO: 4220/7903

OFFICIALS REPORT DECLINE IN RATE OF INFLATION

Calcutta THE SUNDAY STATESMAN in English 5 Sep 82 p 7

[Text] New Delhi, Sept. 4.--Government spokesmen claim that, "except for some periodic failures", the supply of essential commodities has been satisfactory, and that this is reflected in the decline in the annual rate of inflation from 11.3% in the year ending August 14, 1981, to 1.3% in the year ending August 14, 1982.

This decline is said to be reflected in retail prices also. "Sugar price all over the country had come down, as much for the additional release of supplies as for very good production" an official explained. "Groundnut oil prices have come down to some extent as also the prices of gingelly oil and mustard oil. The price of Vanaspati is constant. In case of pulses, there has been no abnormal increase".

About availability, the official claim is that "rice is available, though demand is going up. Sugar and gur are easily available. Edible oil supply is comfortable". As much as 4,30,000 tons of imported edible oil are said to have been distributed during the past year. "Where necessary, imports are arranged to meet the gap between demand and supply".

The official claimed that the 286,000 fair-price shops in the country had been distributing 11 to 12 million tons of foodgrain each year, more than 3 million tons of levy sugar, 4,00,000 to 5,00,000 tons of edible oil, 2 million tons of soft coke, 4 million tons of kerosene, and 140 million sq metres of controlled cloth.

The turnover through the public distribution system was Rs 6,000 crores, against the overall consumption expenditure ("on essential items") of over Rs 35,000 crores. In other words, the system was meeting a sixth of the total requirements of essential goods "and is thus a factor for reasonable price stability". In addition, it had an impact on the three million retail outlets in the open market.

A second factor behind the "modernization in price rise", according to the official, was the chain of consumer cooperatives, with an annual turnover of Rs 3,000 crores.

He said several national-level organizations (including the National Agricultural Cooperative Marketing Federation of India and the National Cooperative Consumers' Federation), three public sector corporations, (the Fertilizer Corporation of India, State Trading Corporation and Indian Oil Corporation), six Central Ministries (including those of Food and Agriculture, Civil Supplies, and Petroleum), 31 civil supplies departments (in the States and Union Territories and at the Centre), 13 State civil supplies corporations and 18 State-level cooperative federations were engaged in the "gigantic task" of distribution of essential commodities.

A national advisory committee, constituted some months ago, kept reviewing the working of the public distribution system. The States and Union Territories had been asked to set up similar advisory bodies.

In reply to a question on pulses, in which there has been a steady price rise, the spokesman claimed that the increase was only marginal and was due more to stagnant production. "With production remaining unchanged over the past 15 years, per capita availability has been reduced". An earnest effort was being made to increase production.

One related and heartening development was the success in soyabean cultivation in Madhya Pradesh and Uttar Pradesh. Soyabean's potential as a protein supplement was promising the Government, the official said, was trying to fashion a usable "soya pulse". [as published]

CSO: 4220/7903

SOVIET OIL MINISTER'S ARTICLE ON COOPERATION REVIEWED

Calcutta THE SUNDAY STATESMAN in English 5 Sep 82 p 7

[Text] Moscow, Sept. 4.—The Soviet Union will help India drill a deep well in the Ankleshwar oilfield, the first oilfield to go into production in the 60s, to evaluate the presence of oil and gas in deep subtrappean, sedimentary deposits, reports PTI.

This is stated by the Soviet Oil Minister, Mr N. A. Maltsev, in an article written on the eve of Gandhi's Moscow visit this month. The article reviews the developments in Indo-Soviet Cooperation in oil industry since Mr Maltsev's visit to India in November 1981.

The Minister states that the ONGC is expected to produce about 25 million tons of oil by 1985 from its enterprises, thus enhancing domestic self-sufficiency.

The review recounts that in 1981 Indian and Soviet oil experts completed the preparation of a long-term plan for onland prospecting and production up to 1990, which now awaits the Government of India's final approval.

Joint seismic survey and drilling operations are under way in Tripura and seismic prospecting in West Bengal. The drilling in Tripura, one of the most complex in India, has already reached 4600 metres and hydro-carbon deposits have been discovered.

Agreement has been reached on Soviet assistance for the valuation of geological and geophysical data for drawing up a comprehensive plan for continued prospecting in the geologically difficult regions of the Himalayan foothills.

The two countries have agreed to process and analyse the results of the seismic survey and other activities jointly in the Rajasthan and Cauvery basins, and will map out further prospecting in these areas.

Idle Wells

As regards activating the idle wells, from which about a million tons of additional oil is expected, the Soviet side has already sent the necessary

equipment, tools and material to India. Highly skilled geologists, seismologists, drilling and oil experts will shortly arrive in India to carry out the work. Simultaneously, Indians will be given special training in the USSR in the technique of repairing and activating idle wells.

According to Mr Maltsev, the visit of Mr P. Shiv Shankar, Minister for Petroleum, to Moscow in June helped the oil authorities of both countries exchange the latest position in cooperation.

Another delegation of scientists and specialists in the oil industry from India visited the USSR in July and they had an extensive tour of Soviet oil industry institutions. They were given the programmes for comprehensive geological prospecting (seismic and drilling) operations in West Bengal, particularly the Ranaghat-Jaguli-Krishnagar area in the same basin.

CSO: 4220/7903

OPENING OF MOUNTAIN ROAD SEEN AS COUNTERMOVE AGAINST SOVIETS

Kuala Lumpur BUSINESS TIMES in English 11 Sep 82 p 8

[Article by Dilip Ganguly in New Delhi]

[Text]

THE recently opened Khunjerab Pass linking the strategic Karakoram highway between Pakistan and China is seen here by defence experts as a part of a Sino-Pakistani joint military move to counter increasing Soviet military strength in the region.

The road network, which has a very high strategic value, would also serve to improve Pakistan's military position against Indian and China's against the Soviet Union, a study by the Indian Institute of Defence Studies and Analysis said.

The institute is autonomous and its views do not necessarily reflect the thinking of the Indian government but official defence strategists here take note of the institute's observations.

The study said the new road linking the Khunjerab Pass was aimed at strengthening Pakistan's "tenuous hold" on the parts of the disputed Jammu and Kashmir states that it controlled, and at providing China with a pressure point against Soviet troops along its border and in Afghanistan.

China's military strategy in the region had been influenced by Western reports of a sizeable Soviet military presence in the 64-km Wakhan corridor in Badashan province in north-east Afghanistan, the study said.

Western analysts had said that the Soviet Union had virtually annexed the strategic area in Afghanistan which linked Sinkiang with Afghanistan.

Improvement

The institute, however, did not apparently accept the Western reports on Wakhan and said the Soviets might just have conducted reconnaissance in the region.

In a reference to the Soviet armed presence in Afghanistan, the study said an improvement in communication between Chinese and "Pakistani occupied Central Asia (Kashmir) will serve as a check on the Soviet moves in the region."

"To put it bluntly, China wants one pressure point against the Soviet Union, however, improbable Pakistan is as a pressure point on

the Soviets," the study said.

Quoting experts the study said the 800kms (500 miles) Karakoram highway had limited use for Pakistan's stated objective of trade with China.

The study was made public here barely two weeks after the pass was formally opened when India had protested to both Peking and Islamabad.

Defence experts have often warned federal strategic planners that the road, which at its nearest point is about 60 km (40 miles) as the crow flies from the existing actual line of control in the Kashmir region could pose a serious threat to India in the event of a war.

The agreement to build the highway was concluded between Pakistan and China two years after India fought a bloody border war with China in 1962.

It took an estimated 10,000 Chinese and 15,000 Pakistanis 16 years to complete the road along the Indus valley.

The upper reaches of the road across the Karakoram range have

been built on forbidding terrain with some of the highest mountains in the world and the largest glaciers outside the Polar region.

"A question defence experts are asking is why China should construct the Khunjerab road when it already has the same — and qualitatively no worse — connection via Mintaka, the first negotiable pass along the Aghil range on the northern boundary of Pakistan-held Kashmir," the study said.

The study noted that the restless Ili valley in Sinkiang had been a long-standing problem for China and a second route connecting Pakistani-held Kashmir with Sinkiang was expected to have a psychological impact on the valley's population.

"These tribes, a large number of whom also inhabit the border regions within the Soviet Union, have traditionally been influenced by that country," the study said.

The south Chinese province of Sinkiang had a history of political and cultural ties with the Soviet Union, the study said. — AFP

INDIA

BRIEFS

AMBASSADOR TO GDR--Berlin, September 4 (PTI): The chairman of the state council of the German Democratic Republic, Mr. Erich Honecker, was presented the credentials by the new Indian ambassador, Mr. Prabhakar Menon, here yesterday. After the presentation, they discussed the cordial relations between the two countries and said that it had developed on all fronts. They felt that both countries should make efforts towards peace, detente and security specially in view of the increasing international tensions and dangers of war. [Text] [Bombay THE TIMES OF INDIA in English 5 Sep 82 p 7]

TEAM TO PRC--Rajahmundry, September 5: A six-member delegation led by Mr. M. V. S. Subba Raju, MLA and chairman of the Andhra Pradesh drainage board, left here today for Calcutta en route to China, on the Chinese government's invitation for a three-week study tour. This is the first time that the Andhra Pradesh Indo-China friendship association received an invitation from the Chinese. The team is expected to discuss with Chinese leaders the possibilities of opening new lines of trade and commerce between the two countries, particularly in agro-industries and developing cultural relations. [Text] [Bombay THE TIMES OF INDIA in English 6 Sep 82 p 20]

PACT WITH VIETNAM--India and Vietnam have concluded an agreement for India's help in the economic modernisation of that country, reports PTI. The agreement was signed recently between the Association of Indian Engineering Industry (AIEI) and the Vietnamese Chamber of Commerce. The agreement, according to AIEI release lists out, inter alia steps to be taken to increase trade and industrial cooperation in the engineering industry as well as outlines the areas of cooperation. The agreement was signed by Vietnamese Vice Minister for Foreign Trade, Hoang Trong Dai and Mr S S Kanwar, chairman of the AIEI. [Text] [New Delhi PATRIOT in English 5 Sep 82 p 7]

CSO: 4220/7902/7905/7907

INDONESIA

IRIAN JAYA TO BE DIVIDED INTO SEVERAL PROVINCES

Jakarta KOMPAS in Indonesian 26 Aug 82 pp 1, 12

[Article: "Minister of Internal Affairs Amir Machmud: Irian Jaya Will Be Divided Into Several Provinces; Not Immediately, Perhaps in Fifth Five-Year Plan"]

[Excerpts] Jakarta, KOMPAS--Minister of Internal Affairs Amir Machmud on Wednesday [25 August] expressed the view to a number of leaders who "know" Irian Jaya that the division of the Easternmost Indonesian province into several provinces is considered necessary in view of the size and varied character of the region.

"Ultimately, we will move toward its division into several provinces. But we will not move quickly. On the contrary, this must be thought out rationally and objectively," said Minister Amir Machmud. Asked whether the Ministry of Internal Affairs had developed a concept for this proposal, the minister of internal affairs replied: "Certainly, and this is something that should be done, particularly as Irian Jaya is too large to remain one province."

The concept for the division of the province was mentioned by Brig Gen (Retired) Acub Zaenal, former commander of Military Region XVII/Cenderawasih and governor of Irian Jaya, and Member of Parliament J Sudarko Prawirojudo (Functional Development Faction) from Irian Jaya. Meanwhile, Steef Patrick Nafuni, a native of the area, considers that first of all it would be best for the nine existing regencies in Irian Jaya to be combined into three residencies. These residencies would be turned into new provinces.

The minister of internal affairs was not prepared to state definitely when the division of Irian Jaya into several provinces is to be accomplished. However, he is thinking of the period of the Fifth Five-Year Plan as a target, bearing in mind a number of aspects and conditions which, he said, must be taken into account and considered in a careful way.

Minister of Internal Affairs Amir Machmud confirmed that the late governor of Irian Jaya, Dr Boesiri Soeryowinoto (the fifth governor, who died in Tokyo on 4 August), had once proposed that Irian Jaya be divided into at least three provinces. He did not recall precisely when the letter containing this proposal was sent. However, according to the minister of internal affairs, this question has been under consideration by his ministry.

Meanwhile, in a separate place the spokesman of the Ministry of Internal Affairs, Dr Feisal Tamin, stated that the proposal by the governor of Irian Jaya was submitted in connection with the preparation of the 1982/1983 state budget for regional development operations. Therefore, the view of a number of leaders on the need for Irian Jaya to be divided into several provinces had already become a definite "input" which will be considered by the government. "All of these proposals are constructive," he said.

He said that within the Ministry of Internal Affairs recently there have been two views regarding the development of Irian Jaya. The first view is to divide the province into several provinces. The second view is that Irian Jaya should remain one province but should be provided with several deputy governors who would be assigned to several different areas. "Up to the present consideration is still being given as to which proposal is the most effective, efficient, and useful," said Feisal. "No interministerial team has yet been established on this matter, but these thoughts will be presented to the president," he added.

Replacement for the Late Governor

The minister of internal affairs yesterday [25 August] held a closed meeting with provincial government figures whose governors will be transferred in the near future. These figures were the governors or acting governors and the chairmen of the provincial councils of Jakarta, West Sumatra, Maluku, South-east Sulawesi, and West Kalimantan.

The election of candidates for permanent appointment as governors will be held in Jakarta on 17 September; in West Sumatra on 27 September; in South-east Sulawesi on 15 September; in Maluku on 13 September; and in West Kalimantan on 3 November. The new governors are scheduled to be installed in office on 29 September in Jakarta; on 20 October in West Sumatra; on 24 September in Southeast Sulawesi; on 22 September in Maluku; and on 4 November in West Kalimantan.

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CSO: 4213/04

PRODUCTION SHARING AGREEMENT WITH CALTEX

Jakarta KOMPAS in Indonesian 26 Aug 82 pp 1, 5

[Article: "Question of Production Sharing Agreement: It Is Hoped That Caltex Will Not Regard It As a 'Dead Letter':"]

[Text] Jakarta, KOMPAS--The chief of the Pertamina Foreign Contractors Cooperation Body (BKKA), Dr D Zahar, has stated that the signature of the production sharing agreement between Indonesia and Pertamina on the one hand and Caltex on the other in 1971 was a "strategic decision" which was very appropriate at the time. This decision was very much needed in order to provide support for the Indonesian oil industry at the time, so that petroleum would play an increasing role in national development.

Dr D Zahar made this statement in Jakarta on Wednesday [25 August] when he accompanied the chief of the Pertamina Community Relations Office, A S Mufti, in answering questions from journalists in connection with the change in cooperation between Pertamina and Caltex from a contract of work [kontrak karya] to a production sharing contract [kontrak bagi hasil]. The changeover in cooperation will take place at the end of the present contract of work on 28 November 1983. However, it is noted that the agreement to this affect was signed in Jakarta on 9 August 1971.

According to the chief of the BKKA, the signature of the agreement was arranged to make possible "an appropriate return" on the investment made by the contractor. The production sharing agreement at the time was 65:35, but the arrangement affecting Caltex was 70:30, an agreement whose terms were better and more profitable for Indonesia. The decision was made to attract investment, because the production sharing system of agreements was just beginning to emerge, and at the time it was not yet known whether it would be "accepted" in the market.

However, he added, the question of oil refining turned out to have made much more progress than in the case of the contract of work. The petroleum situation later changed to such an extent that the agreement that had been signed needed to be reviewed. For the agreement which was best to ensure a proper return on the contractor's investment was no longer suited to the developing situation.

It was believed that Caltex had already obtained a full return on its investment during the period of its operations in Indonesia and even "more than that." For example it was pointed out that the price of petroleum had gone up from only about \$2 per barrel in 1971 to about \$34 per barrel at present.

Caltex Proposal

Based on very advanced developments in the petroleum sector, said Dr Zahar, Caltex itself in the course of 1980 proposed that the 1971 production sharing contract be changed and brought into accord with world oil developments. Caltex proposed that a production sharing agreement on the 85:15 basis be applied to the agreement which would be in effect, beginning in 1983. This would be in accordance with the production sharing agreements which were being applied by Pertamina to new contractors. However, this proposal was not accepted by Indonesia and Pertamina.

According to the chief of BKKA, discussions began to be held in July, 1981. The objective was to change the conditions of the 1971 agreement so that they would again be in accordance with the more advanced conditions. Zahar said: "The discussions are still going on. I hope that they will be successfully concluded in the course of 1983, the final year of the contract of work." He added that Indonesia continues to play the major role in the discussions and wanted an agreement which would be "much better" than the present agreement.

Answering a question regarding difficulties in the discussions, Dr Zahar only replied that with good will from both sides, "changes in the conditions of the 1971 agreement will be obtained. Indonesia holds the key to the discussions because this country owns everything. The people own the petroleum, while Caltex is only the contractor."

However, he admitted that the 1971 agreement had been approved by both sides. The agreement was signed respectively by the late Prof Soemantri Brodjonegoro, then minister of mining, representing the Indonesian government; Dr Ibnu Sutowo, representing Pertamina; and J Tahia, representing Caltex. The agreement had binding force and could only be reviewed on the basis of the good will of both sides.

According to the agreement, after the Caltex contract of work ended on 28 November 1983, from that time onward the U.S. company would change over to a production sharing contract with Pertamina. This new contract would be in effect until 8 August 2001, and would thus be in effect for 18 years. What is being discussed with Indonesia now is only an adjustment in the conditions of the contract.

Dr D Zahar thinks that in the new discussions under way with Caltex at present it is not the 1971 agreement which is the key to the matter. Indonesia is only asking for conditions which will operate more effectively than at present. As for returning to the contract of work, this is no longer possible. This is because agreement is being sought on a production sharing agreement most appropriate and most profitable for Indonesia. The discussions are difficult because Indonesia is still waiting to learn to what extent Caltex will agree to the conditions presented by Indonesia.

Dr Zahar does not agree that the 1971 agreement should be treated by Caltex as a "dead letter" in an effort to come out to best advantage in the discussions. Should this happen, it would be necessary to consider what steps should be taken if Caltex does not meet the demands currently being presented by the Indonesian government. "I hope that doesn't happen," he added.

The production sharing contract with Caltex which was signed in the conference room of the Ministry of Mining and Energy on 9 August 1971 was entered into on the basis of Presidential Decision Letter No B/99/Pres/7/71, dated 26 July 1971. The agreement involves the land area of Central Sumatra which is called the "Coastal Plains" and covers an area of about 32,850 square kilometers. On a phased basis the area concerned was to be returned to the Indonesian government over the next 10 years until the area retained was to cover 10,000 square kilometers. The money which was to be spent on petroleum operations amounted to \$15 million over a period of 8 years in the new area. Meanwhile, the contractor was required to take action to meet domestic oil requirements at a price of \$0.20 per barrel.

In the division of profits for the old area immediately after moving to a production sharing agreement, the division was to be 70 percent for Pertamina and 30 percent for the contractor at each level of production.

According to the chief of the Pertamina BKKA, the signature of the 1971 agreement with Caltex was considered proper at the time. This is because Indonesia wanted to provide a favorable period of time for the return of the investment made by the contractor.

Meanwhile, another source contacted by KOMPAS states that the agreement was signed in an effort to bind Caltex to Indonesia so that it would not leave the country. This was particularly the case since it was this company which was producing about 85 percent of Indonesian petroleum.

As a matter of comparison the production sharing contract was only for a period of 18 years. Meanwhile, ARCO (Atlantic Richfield Indonesia), which entered into a production sharing contract with Indonesia at the same time (1971), was given a contract for 30 years. This was because ARCO was working a new area offshore East Kalimantan, an area of about 16,000 square kilometers.

The ARCO area, which has been gradually returned also, was down to 10,000 square kilometers by the end of the 10th year. The minimum expenditure which it was to make was \$19.75 million over a period of 8 years. The contractor was required to supply petroleum for domestic needs on a proportional basis at a cost of \$0.20 per barrel. Operational costs were limited to 40 percent of production.

The division of the profit was to take place on a staged basis. For production up to 50,000 barrels per day the division was to be 65:35; between 50,000 and 75,000 barrels per day, 67.5:32.5; and above 75,000 barrels per day, 70:30. The contractor was to pay a bonus of \$1 million; a data compensation charge of \$4 million; and a production bonus of \$2 million at a level of production of 50,000 barrels per day and \$4 million for production of 100,000 barrels per day.

In addition the contractor was to offer 10 percent participation to the Indonesian side immediately after petroleum was found in commercial quantities. If the production sharing contractor reached a production level of 75,000 barrels per day, the company would increase its investment in refining or petrochemicals.

However, in the development of the Indonesian petroleum industry the production sharing agreement underwent rapid change. Recently, agreements have been reached with contractors providing for a division of profits on an 85:15 basis in new areas opened up, after operational costs are returned to the contractor.

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CSO: 4213/04

PREVENTING THREAT OF COMMUNIST COUP D'ETAT

Jakarta KOMPAS in Indonesian 24 Aug 82 pp 1, 12

[Article: "Six Basic Steps to Prevent a Repetition of a Communist Coup"]

[Excerpts] Jakarta, KOMPAS--Presidential Instruction No 10/1982 concerning the implementation of Echelon I of the National Vigilance Course [Penataran Kewaspadaan Nasional], which has been assigned to the commander of KOPKAMTIB [Security and Order Command], must be seen as an expression of the political will and as a clear action taken by the government in the form of preventive security steps against the latent communist subversive danger, by cultivating and raising the level of national resiliency [Katahanan Nasional].

The commander of the Security and Order Command, Admiral Sudomo, made this statement to Class I of Echelon I of the National Vigilance Course at the National Defense Institute on Jalan Kebon Sirih yesterday [23 August]. The course was attended by 54 persons, consisting of senior officials of several ministries, government institutions, high level state institutes, non-ministerial government institutes, and non-governmental and non-ministerial institutes. The course will last from 24 August to 4 September 1982.

According to Admiral Sudomo, to prevent a repetition of the communist subversive danger, the government has approved six basic steps:

First, continue to maintain and develop national stability, or stable political, economic, and security conditions. This is because in order to attain their goals the subversives will always make use of any unstable situation and condition and/or will create unstable situations and conditions.

Secondly, accelerate the creation of a just and progressive society based on the Pancasila [five principles of the nation] by means of national development. For poverty is fertile soil for the development of communism.

Thirdly, cultivate and increase national resiliency in the ideological field through the Pancasila Indoctrination Course and, as a supplementary step, the National Vigilance Course on the latent communist subversive danger, so that the people will reject communist thought and furthermore in order to be in a position to face up to every communist subversive effort.

Fourthly, continue and intensify efforts to clean out the remnants of communism, both within the government and the armed forces as well as in society, which up to the present have not made themselves known and have not been arrested.

Fifthly, establish an efficient and effective system of supervision and guided development of former communist criminal elements and detainees who have returned to live in society. This is intended so that those involved can enjoy their rights and meet their obligations as good Indonesian citizens, based on the Pancasila, and so that they can be protected from the subversive, conspiratorial efforts of communism.

Sixthly, establish and develop a strategical studies center [pusat pengkajian strategis] on communism and communist developments, cooperating with international and regional strategical studies centers. This center should be a data bank which will carefully follow communist strategy and subversive tactics. At present this task is additionally assigned to the National Defense Institute [Lembaga Pertahanan Nasional].

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CSO: 4213/04

INDONESIA

INDONESIAN AIR FORCE ORDERS 32 NURTANIO AIRCRAFT

Jakarta KOMPAS in Indonesian 24 Aug 82 pp 1, 9

[Article: "Indonesian Air Force Orders 32 CN-235 Aircraft"]

[Text] Bandung, KOMPAS--The Air Force will strengthen its transportation capability further with the addition of two medium air transport squadrons, equipped with 32 military versions of the CN-235 aircraft. These aircraft will be ordered from PT Industri Pesawat Terbang Nurtanio [Nurtanio Aircraft Industry Company] in Bandung. This order follows on the delivery of three of the seven Puma SA-330L helicopters which are being worked on by PT Nurtanio for the Air Force.

The agreement to purchase the twin-engine turboprop transport aircraft which can carry from 35 to 40 passengers was signed by Air Force Chief of Staff Marshal Ashadi Tjahyadi and the principal director of PT Nurtanio, Prof B J Habibie, in Bandung on Monday [23 August].

The Air Force chief of staff stated that the existence of the two types of aircraft was important to strengthen the Air Force transportation fleet. He said that in the view of the Air Force the helicopter is important, both for military operations as well as for work outside the Armed Forces. "In Wing 004 the helicopter almost never is out of work," he said. Meanwhile, the CN-235 will be a medium-lift transport aircraft.

The all purpose transport aircraft is the first project of the aircraft technology industry, which was formed in 1979 as a joint venture between PT Nurtanio and the Spanish company, CASA. This aircraft uses digital system radio equipment, a more modern type of navigational equipment, a WXR-220 weather radar, and a digital system of flight controls.

Prof Habibie said that during the 6 years since it was established PT Nurtanio has grown 10 times over what it was. "In the next 10 years it is possible that we will witness the production of a fighter aircraft," he said.

In addition to its aircraft industry Nurtanio has a Weapons Systems Division, located in Menang, Tasikmalaya. This division has the task of developing weapons systems for aircraft and helicopters produced by Nurtanio for military operations purposes.

The CN-235 aircraft ordered by the Air Force is in the development stage, and it is hoped that the first aircraft of the type will obtain its certification and will be turned over at the beginning of 1984. The first flight is scheduled for 1983. Manufacture of the aircraft, which is jointly under way in Indonesia and in Spain, began in 1980. The aircraft was "introduced" to the international flight world at the Paris Aerosalon in June, 1981.

In the military version the transport aircraft will be used for cargo and troops or to drop paratroops and equipment. The CN-235 is 21.3 meters in length, has a wingspan of 25.8 meters, and has two General Electric turboprop engines, with an initial top speed of 463 kilometers per hour.

5170
CSO: 4213/04

COUNTERPURCHASE POLICY BEGINNING TO SHOW RESULTS

Kuala Lumpur BUSINESS TIMES in English 6 Sep 82 p 22

[Text]

THE Indonesian counter-purchase policy launched in January this year had started to pay off, and some US\$176 million worth of contracts had so far been concluded under the export-import linkage system, an Indonesian authority has said.

The contracts included the supply of 977,000 tons of urea and other fertilizers worth US\$127 million by ten companies from Singapore, West Germany, the United States, East Germany, Japan and Rumania, assistant secretary of State Ginanjar Karta Sasmita told the Angkatan Bersenja (Armed Forces) newspaper.

The other contracts, worth an additional US\$50 million covered a government import of plantation fertiliser (US\$1.1 million) from Singapore, with the largest single deal being the purchase of US\$42 million worth of railway coaches and wagons from Rumania, he said.

West Germany and Japan would supply US\$2

JAKARTA, Sept. 5

million worth of generator sets for the state electricity company, and the former country an additional US\$878,000 worth of condoms, all under the same system, he said.

Besides these contracts already in the process of implementation, negotiations were now underway for the supply of some US\$95 million worth of goods for the government.

The new contracts being envisaged were for the supply of sea transportation and port equipment (from Japan and South Korea) and small locomotives (from West Germany).

Other projected big purchases were for computer equipment, more generating sets, equipment for the ombilin coal mine in West Sumatra, he said.

The non-energy commodities offered by the government for counter-purchase include rubber, coffee, pepper, spices, tyres, textiles, garments and a host of other products. — AFP.

CSO: 4220/03

'LITTLE DOCTORS' TRAINING PROGRAM IN ELEMENTARY SCHOOLS

Jakarta KOMPAS in Indonesian 30 Aug 82 p 3

[Article: "Two American Professors Interested in Program for Training 'Little Doctors'"]

[Excerpts] Jakarta, KOMPAS--Two professors from the United States are interested in the program for the training of "little doctors" for elementary schoolchildren in Jakarta. They feel that this program can create good mental attitudes among the pupils in the school.

Prof C Taylor and Prof Mary Taylor, experts on health and training at Johns-Hopkins University and Towson State University in Maryland, met with Governor Tjokropranolo in his office on Saturday [28 August] to discuss this matter.

Speaking later to reporters the couple said that the program for the training of "little doctors" in Jakarta was the best in the world. This is because it has been combined with the educational program at the school. "During our trip around the world, and particularly in the tropical countries, we have not found 'little doctors' like those in Jakarta. Other programs involve merely training small children in health subjects. This means having a doctor meet with the children and teach them about health," they added.

Prof C Taylor said that the "little doctors" in Indonesia, and especially in Jakarta, were active in caring for the health of their parents and the people of their neighborhood. "This is very valuable for the whole community," he said. The program for training "little doctors" in Jakarta has been reported to the WHO [World Health Organization], which has received information on it from the Indonesian Ministry of Health.

The "little doctors" program in Jakarta was announced about 2 years ago by the Jakarta provincial government and the Jakarta health service. A number of doctors in the health service cooperated with the provincial educational and cultural service in developing the children's health activities.

At first health in the school was the main objective, but then it extended more broadly to the neighborhood of the home. Pupils who are trained are those who are the brightest in every class. They are provided with more specifically oriented health instruction. Among other things, nutrition,

early identification of illness (such as a large child whose body is not fully developed), knowing high-value types of food, keeping the body and surroundings clean--these are among the subjects studied.

The program for training of "little doctors" does not interfere with the school schedule because the time is arranged in such a way that there is no conflict. Indeed, most of the "little doctor" training activity is arranged for the late afternoon, outside of school hours. Up to the present no less than 3,987 "little doctors" have been trained in Jakarta at 127 state, private, and Muslim schools.

The Jakarta health service states that the program for development of "little doctors" will be expanded in the future so that all elementary schoolchildren will be involved in this kind of activity. The "little doctors" up to now have been of positive value because they provide health tips to the parents and the neighborhood.

5170
CSO: 4213/04

JAPANESE FIRMS PLANNING MASSIVE GEOTHERMAL PROJECT

Kuala Lumpur BUSINESS TIMES in English 11 Sep 82 p 2

[Text]

AN impressive number of major Japanese businesses encompassing a wide spectrum hope to cooperate in a big way in the development of geothermal energy and electric power projects in Indonesia, disclosed informed sources in Jakarta.

The sources said Japan will shortly send a huge delegation, comprising representatives from government and private business, to Indonesia's capital to explore the possibility of participating in the energy projects resulting from its indigenous volcanic energy.

If realised, Japan's role may be on the scale of the aid programme in the mammoth Asahan aluminum and hydroelectric development project.

In the first phase of the Asahan project, which is described as "Indonesia's dream project," an electrolytic plant capable of producing 75,000 tons of aluminum a year, was completed in Kulatanjung located at the mouth of the Asahan River in the north of Sumatra last February. When the whole project is concluded in 1984, the Asahan aluminum refining complex will be the largest of its kind in the orient, putting out 225,000 tons of aluminum and enabling Indonesia to have access to at least \$300 million worth of hard currency.

Preparations are already underway in Japan by a consortium of more than 15 banks, trading houses, construction and other firms to establish a joint investment firm. In line with this, is a group of Japanese technical experts scheduled soon to carry out

on-the-spot surveys. The mission will be followed by a large delegation of officials of the agency of industrial science and technology and other related government agencies and representatives of influential banking institutions and trading houses who will talk with leading Indonesian government officials.

The Japanese plan involves bidding in a tender in one of three areas of the province of West Java, which is to be closed on Nov. 1. The Japanese consortium will concentrate on the bid for Darajat, one of three areas, which has an abundant network of hot water springs in an attempt to avoid a head-on clash with union oil and other American firms who have made a speciality of exploration of thermal heat and will be actively bidding in other areas.

Officials of the Japanese consortium are optimistic they will be able to sign a contract with Pertamina, the national oil corporation for Indonesia, by next spring.

As there are many similarities in the technologies employed in well drilling and oil field exploration, Japanese sources said the Japanese consortium will grow further in size. The Japanese group hopes to sell steam to Indonesia's Electric Power Corporation upon successful participation in the project.

A number of volcanoes, including Mt. Galunggung are presently active in Indonesia and located

JAKARTA, Sept. 10 west of the Pan-Pacific volcanic region. The potential geothermal electric power generating capacity of this South-east Asian nation is estimated at 10 million kilowatts. Considering that domestic oil consumption, a major source for acquiring hard currency, has soared at an annual rate of more than 10 per cent, this has restricted the nation's oil export capacity.

The upshot is that it has now become of extreme urgency that Indonesia find substitutes for domestic oil consumption, and this was the main theme of the first Indonesia-Japan oil joint conference last year. Later, a formal request for Japan's cooperation was filed by Pertamina with Japanese Minister of International Trade and Industry Shintaro Abe.

The Japanese consortium which will take part in the projects are major firms in the heavy and chemical industries which are engaged in the development of geothermal energy in Japan. They are also joined by Japan-Indonesia Oil, Far East Oil Trading, Nippon Steel and Nippon Kokan.

The Japanese consortium will be financially backed by the Overseas Economic Cooperation Fund, Long-term Credit Bank of Japan, Industrial Bank of Japan and Bank of Tokyo. The major trading house participation will be by Marubeni and Nissho-Iwai along with Mitsui & Co. and Mitsubishi Corp. Construction firms will include, among others, Kumagai Gumi, Taisei and Shimizu Construction. — NYT

CSO: 4220/03

COUNTRY IN GRIP OF SEVERE DROUGHT

Kuala Lumpur BUSINESS TIMES in English 8 Sep 82 p 19

[Article by Peter Griffiths in Jakarta]

[Text]

INDONESIA is in the grip of a serious drought that has led to water shortages in big cities, an outbreak of cholera in Kalimantan (Borneo) and a famine in Irian Jaya (New Guinea) that has claimed more than 100 lives.

In an unusually severe dry season, there has been no rain in many parts of the Archipelago for three months. Reservoirs are dangerously low and experts say the rice crop could be damaged.

In Jakarta, authorities have called on people to save water. Canals, which in many parts of the city are used for bathing or washing clothes, have dried up or been reduced to fetid trickles.

But fresh water from parched Jakarta is being shipped more than 400 miles (650km) to Pontianak, capital of West Kalimantan, where the drought is even more serious.

There, the flow of the Landak and Kapuas rivers, which normally supply the city with washing and drinking water, has become so weak that salt water has contaminated them for up to 25 miles (40km) inland.

According to Press reports in Jakarta, a US\$11

million French government-aided water purification project on Landak has ceased functioning due to salination and about 1,000 people have been taken to hospital in Pontianak suffering from cholera.

In Irian Jaya, some 2,200 miles (3,500km) east of here, the known death toll from drought-induced famine has risen to 112. Nearly 400 people in the advanced stages of malnutrition are being treated at emergency medical posts, according to the semi-official Antara News Agency.

Provincial officials said rice was being distributed by government helicopters and missionary aircraft.

Most of the deaths in Irian have occurred in the remote Jaya Wijaya mountain range where drought has stunted crops planted under primitive "slash and burn" cultivation. Local officials estimate more than 10,000 people in the region are threatened with famine.

In Central Java, the big Sempor dam has been closed both for irrigation and hydro-electric generation to prevent further losses of water.

In West Java, another major hydro-electric and irrigation project, Ja-

tiluhur, could also be shut down if its water level drops another 50 feet, according to irrigation director Mohamad Ulama. It has fallen to a depth of 260 feet (80 metres) from 335 feet (102 metres) in June.

Officials believe that throughout Java some 625,000 acres (250,000 hectares) of irrigated rice paddy will be seriously short of water.

According to a US Department of Agriculture report made available here, the rice crop, one of Indonesia's most sensitive economic indicators, is expected to be about two million tons lower this year than the record 22.3 million ton harvest in

1981. The dry season crop, one-third of the annual total, could be as much as 35 per cent down on last year.

Indonesian sources said the drought was also having a serious effect in the former Portuguese colony of East Timor, where an estimated 300,000 people died from famine and civil war in the late 1970s.

Jakarta is particularly sensitive about reports of famine in East Timor and the government has sent large amounts of corn to the capital, Dili, where 1,000 tons is being stored for distribution to food-short areas. — Reuter

SOUTH KOREANS SIGN COAL CONTRACT, DISCUSS OIL, GAS SUPPLY

Kuala Lumpur BUSINESS TIMES in English 14 Sep 82 p 1

[Text]

SEOUL, Sept. 13
INDONESIAN and South Korean officials began a three-day meeting here today on development of natural resources with the supply of Indonesian liquified natural gas (LNG) to South Korea one of the main items on the agenda.

A proposal being discussed by an Indonesian team led by Energy Minister Subroto and his Korean counterpart Suh Sag-Chul calls for the supply of 1.65 million tonnes of LNG annually to South Korea from 1985 onwards for an indefinite period.

The Koreans are also expected to ask Indonesia to increase crude oil supplies, currently running at 10,000 barrels a day, according to government officials here.

The two delegations would also discuss ways to increase joint investment and technical cooperation in resources de-

velopment, including oil prospecting off Indonesia, they said.

A South Korean consortium will tomorrow sign a contract to exploit a big coal concession in Indonesia's East Kalimantan province, senior Ministry of Mines sources said in the Indonesian capital.

The deal will be the fifth that Indonesia has signed with foreign groups to exploit one of the world's richest coal reserves.

More than one billion tonnes of coal are believed to lie beneath the towering Kalimantan rain forests.

Mr Achmad Priyono, president-director of the Indonesian state mining company, PN Batubara, left for the signing in Seoul yesterday, the sources said.

The five Korean companies involved will exploit 2,550 square kilometres under a contract for 30 years. — Reuter

CSO: 4220/03

PLAN TO PIPE GAS FROM NATUNA TO BATAM BEING STUDIED

Kuala Lumpur BUSINESS TIMES in English 11 Sep 82 p 1

[Text]

THE natural gas which Singapore is planning to buy from Indonesia will be supplied through a submarine pipeline from a gas field off Natuna Islands.

This was disclosed by Prime Minister Lee Kuan Yew in Jakarta yesterday. He was speaking to newsmen after a three-day informal visit to the Indonesian capital where he had talks with President Suharto.

Mr Lee said the gas discovered off Natuna Islands, part of which is being disputed with Vietnam, could be piped to Indonesia's Batam Island about 20km south-

east of Singapore from where a connection would be made to pipe the gas here.

He added that the Indonesian state oil company, Pertamina, and a Singapore-Japan joint-venture company are looking closely into the project.

"We have stated our willingness to enter into a commitment on this venture," said Mr Lee.

It is understood Singapore would only be involved in investing in the gas pipeline link between Batam and the Republic. The main pipeline between Natuna and Batam would be an Indonesian project.

This arrangement would be very much the same as the one being proposed between Malaysia and Singapore for the supply of natural gas from the gas field off the east coast state of Trengganu.

Mr Lee said the natural gas from Natuna could reach Singapore in 10 years and would supply the country's energy needs for at least 40 years.

The natural gas would be destined for the Public Utilities Board's newer electricity generating stations for use as an alternative to increasingly expensive fuel oil.

Mr Lee also said that Singapore is interested in buying liquefied petroleum gas from Indonesia. This would be used as feedstock for the S\$1 billion upstream cracker in the petrochemical complex in Pulau Ayer Merbau.

LPG is an attractive cheaper alternative to naphtha as feedstock for the upstream cracker which was originally designed to take in 30 per cent LPG and 70 per cent naphtha.

However, plans are already underway to modify the plant to take in LPG and naphtha on a 50-50 basis.

CSO: 4220/03

KAMPUCHEA

KHMER ROUGE COMMANDER ALLOWS DISAFFECTED TO JOIN SIHANOUK

Bangkok MATUPHOM in Thai 2 Sep 82 p 2

[Article by Prawit Phanmet: "Reports of Khmer Rouge Soldiers Deserting; Increasing Votes For Sihanouk At the United Nations"]

[Text] At the end of August, 277 armed Khmer Rouge soldiers travelled from a Khmer Rouge secure base and entered Thailand, stating that their aim was to join the Moulinaka faction of Prince Norodom Sihanouk. They said they were doing this because they could no longer endure the hard life of the Khmer Rouge.

These Khmer Rouge troops were disarmed by Thai officials and sent to the Moulinaka camp as they wanted.

This event shows that the appeal made by Prince Sihanouk when he visited Thailand has scored results. That is, the prince appealed to Kampuchean people all over the world to come help drive out the Vietnamese.

But shortly afterward, Prince Sihanouk sent a telegram from Peking, where he is staying, to Air Chief Marshal Sitthi Sawetsila, the [Thai] minister of foreign affairs, asking him to help keep large numbers of Kampuchean refugees who respect the prince from going to the Moulinaka camp. The reason is that, at present, there is a serious shortage of food at the camp.

Concerning the fact that Khmer Rouge soldiers left the Khmer Rouge to join the Moulinaka faction, a diplomatic news source observed that "this has increased the 'credit' of the Sihanouk faction. Looked at superficially, people may think that the Khmer coalition is very disorganized.

"But actually, if more and more Khmer Rouge troops break ranks and come to join the Sihanouk faction and if this news is spread abroad widespread, the result will be that Sihanouk's popularity will increase and this refers to the votes that the Khmer coalition government will win at the United Nations meeting this September."

Previously, some Western countries said that they would not support the Khmer [coalition] in the United Nations because of their revulsion at the atrocities committed by Pol Pot. But now, the Khmer groups have formed a coalition with Sihanouk serving as president. More and more of those who love freedom will support the Khmer [coalition], said the diplomatic news source.

Besides the fact that Khmer Rouge soldiers have broken away from the communists, recently, 78 Heng Samrin-faction Kampucheans [joined Sihanouk too].

A MATICHON reporter conducted a special interview with Mit Salong, who speaks Thai fluently and who is the secretary of Mit Sokthiep, the deputy commander of Khmer Rouge Division 474. He talked about Khmer Rouge troops going to join the Sihanouk faction. He said that on 30 August, Mit Sokthiep, the deputy commander of Division 474, gave those men of his who wanted to go join Sihanouk a chance to sign up. He asked them about their background and asked who wanted to go join Sihanouk. Those who wanted to go join Sihanouk had to leave their weapons at the secure base of the Khmer Rouge and leave emptyhanded. But it appears that no one expressed a desire to go join Sihanouk.

Later that same day, after giving these Khmer Rouge soldiers a chance to leave, Mit Sokthiep went to the Khmer Rouge base at Ban Sua Tai, which is opposite Ban Sa Rong Khong. Mit Sokthiep called a meeting of the entire regiment and all the civilians in order to determine who wanted to go join the Sihanouk faction. Those who wanted to go had to leave their weapons at the base and leave emptyhanded. But they had to sign their names first. But not one person expressed a desire to go.

Mit Salong told MATICHON that "everybody at the base said that they were ready to live and die for Democratic Kampuchea (the Khmer Rouge) here."

After that, a special combat unit of the Khmer Rouge consisting of about two companies, a unit that is highly skilled and very efficient in combat, came to control the situation at Ban Sua Tai.

One Khmer Rouge soldier who was at the Ban Sua Tai base told MATICHON that, at present, the Khmer Rouge forces are disintegrating. Some groups want to go join the Sihanouk faction. Besides this, some commanders have been transferred. Mit Nuon, the commander of the 11th Regiment, was transferred to the Phnom Malai base opposite Ban Nong Pru. This happened because it was said that he could not control these combat forces.

A Khmer Rouge news source said that the reason why no one dared express a desire to go join Sihanouk was because they were afraid that they would be killed. And what is important is that those who wanted to go join Sihanouk had to leave their weapons at the base and go emptyhanded.

The news source said that going emptyhanded meant going like a refugee and they would not have been welcomed by the Moulinaka faction since it would have been like taking food from the Moulinaka, which is experiencing a serious food shortage, said this news source in conclusion.

The person who is smiling at all this disharmony in the ranks of the Khmer Rouge is Prince Sihanouk, who is looking everywhere for support from abroad. In addition to needing support for the Khmer coalition's seat in the United Nations, he is also seeking humanitarian and military aid.

BRITISH INVESTMENTS INCREASE DESPITE RESTRICTIONS

Kuala Lumpur BUSINESS TIMES in English 8 Sep 82 pp 1, 22

[Excerpts]

BRITISH investments in Malaysia in the first half of 1982 were 50 per cent higher than in the whole of last year. This was so despite the setback experienced by British trade here following the "buy British last" policy adopted by the government since last September.

Speaking at a reception organised by the British Malaysian Industry and Trade Association in Kuala Lumpur yesterday, the visiting Lord Mayor of London, Sir Christopher Leaver, said there was no lack of British investor interest. This was clear, he claimed, from the increase in investments.

He pointed out that fresh British investments in Malaysia were, at \$117.5 million in 1979, second only to Japan. However, the volume nose-dived to \$15.2 million the following year, thus pushing Britain down to the fourth slot among other foreign investments in Malaysia.

Last year, British investments picked up, reaching \$38.9 million. Despite this increase in absolute terms, Britain's ranking dropped further to sixth position.

Sir Leaver pointed out that British investments in Malaysia was on the rise again. In the first six months of 1982, these amounted to \$54.6 million, second only to Australia's and one and a

half times Britain's total for last year.

Referring to the quality of British investments, the Lord Mayor said in the past there was "some justification" in the complaint that such investments were mainly in "old fashioned," low technology industries. But that was no longer the case as some of the latest projects were in high technology fields.

Sir Leaver said the resurgence of British investments was in part due to the removal of controls on the export of capital from Britain by the Thatcher government and partly because of Malaysia's attractiveness as an investment centre.

Commenting on the strained trade relations between Malaysia and Britain, Sir Leaver acknowledged British interests had fared less well in recent months.

"Those based in Britain rather than in Malaysia, who have suffered from the present policy of buying British last, must sometimes feel that they are being made to atone for the sins of others," he said in reference to Britain's indifference to Malaysia's rapid growth in the 1970s.

"Despite that, I am glad to say that they (the Britain-based) have gone on trying and their efforts have often met with success," he said.

He was confident of the success to eliminate the strains in ties between the two countries. Once this was accomplished, Britain would fairly quickly reach a position where it could once again compete on equal terms with the best suppliers of the industrialised world.

"We ask no more than this, I am confident that the strength and quality of British business will demonstrate that we can offer products and services which are easily as good as any our rivals can produce," he said.

"Now is the time for all of us to persuade our Malaysian friends that Britain means business."

He attributed the strains to misunderstanding of Malaysia's intentions and aspirations by the City of London. He claimed that the misunderstandings were neither intentional nor malicious.

He said there had been ill-informed criticism of Malaysian actions to repatriate majority control of land-based national assets in the past.

Sir Leaver said this criticism was not shared by well informed City opinion and added that it was widely recognised in London that the Malaysian authorities had been scrupulously fair in their dealings with the British owners of such assets.

UNITED MALAYS NATIONAL ORGANIZATION MEMBERSHIP UP 65 PERCENT

Kuala Lumpur NEW STRAITS TIMES in English 9 Sep 82 p 1

[Text]

KUALA LUMPUR, Wed. — Umno has increased its membership by about 65 per cent to one million members in just under a year.

The party had about 600,000 members a year ago but since the new administration took over, there has been a tremendous increase in the membership, said the party's monthly publication, *Merdeka*, today.

The increase was attributed to the confidence of the Malays in the leadership of Datuk Seri Dr Mahathir Mohamad and Datuk Musa Hitam.

It was also a sign that the Malays believed that only Umno had the ability to strive for their aims and aspirations.

The publication said a percentage of the new members

came from opposition parties, mainly Pas.

A large number of the new members are also youths and intellectuals — showing a change in attitude among the young who had previously given their support to the opposition parties, particularly the Parti Rakyat.

Johore has the most Umno members — 222,483 — while

Perak has dropped to second place with 145,000 members. Selangor, with a membership of 117,559, was third.

The Panti division in Johore had the most members — 24,244 — with Selayang division — 20,200 — in second place; the third being Tampin (with a membership of 19,678.)

CSO: 4220/04

MALARIA IS THE DOMINANT DISEASE IN SABAH

Kuala Belait BORNEO BULLETIN in English 28 Aug 82 pp 28,29

[Text]

KOTA KINABALU. — Cholera and dengue haemorrhagic fever get more publicity, but malaria continues to be the dominant disease in Sabah. That's the message from state Medical Services Department figures which show the mosquito-carried disease struck 50,037 times and killed 42 people last year.

The number of cases represented a significant increase over previous years.

In 1979 there were about 33,000, with 56 deaths, and in 1980, 34,000 with 46 deaths.

The disease seems headed for a similar total this year, with about 16,000 cases detected during the first six months.

Virtually all the cases were recorded in rural areas, with the number in a few villages actually exceeding the population because some residents got malaria more than once.

The Medical Department takes the malaria threat very seriously and gives the Malaria Control Programme several million dollars a year to continue its long-running battle against what has become known as the world's King of Diseases.

Hundreds of anti-malaria workers are stationed throughout the state.

They spray insecticides in housing in malarious areas, go from house to house taking blood samples to detect malaria victims, regularly administer preventive drugs on a mass scale, and kill mosquito larvae before they can turn in-

to dangerous flying adults.

As well, people seeking treatment for fever at clinics and hospitals are routinely tested for malaria.

The efforts of the workers have helped slash the incidence of the disease from an estimated 250,000 cases annually during the 1950s.

Then, as now, it was a disease of the countryside and not the towns.

The reason for that lies in the complex relationships between the tiny parasites that cause malaria and the mosquitoes that carry them from victim to victim.

Only mosquitoes of the night-biting genus Anopheles transmit malaria, and in Sabah they happen to be the kinds that prefer jungle or remote coastal habitats.

There are some Anopheles mosquitoes found in the state's urban areas, but these species do not carry malaria.

The major mosquito threat in the towns comes from day-biting Aedes species, which are known to carry dengue fever—a disease that has recently begun cropping up

in both Sabah and Sarawak.

Sabah's Malaria Control Programme was started in the early 1960s, using the standard measures developed by the World Health Organisation, which provided advice and material support.

Dramatic gains against the disease were quickly made, and by 1969 the number of reported cases had been brought down to 10,000 with few deaths.

But, as in many other parts of the tropics, the King of Diseases has fought back.

Anopheles mosquitoes in Sabah have shown signs of resistance to DDT, the main insecticide, and the malaria parasites are becoming increasingly resistant to chloroquine, the main drug.

By 1974 the number of cases had jumped to 26,500, and that figure was almost doubled last year.

The statistics, however, are not felt to be entirely accurate as many cases are believed to go undetected.

People in remote areas have known malaria all their lives and many

have developed partial immunity after having been struck by the disease over and over.

They may feel only a slight fever and some weakness, and therefore don't make the long trip to a clinic or hospital where the disease could be detected.

As well, the Medical Department's mass blood survey teams, which go to the villages in search of malaria victims, cannot cover each and every difficult-to-reach settlement.

The department has said that last year's increase in malaria cases is probably due in part to improved detection, as many more blood samples were taken and smeared on glass slides for examination under a microscope.

It is interesting to compare Sabah's malaria situation with that in Sarawak, where malaria has been successfully brought under control and the Medical Department is working to eradicate the disease from the state.

Sarawak recorded just 754 cases last year, an improvement of 11 over 1980.

Many of the cases were detected close to the border with Kalimantan, which has yet to launch a large-scale anti-malaria programme. Sabah's main disadvantage in the fight against malaria is that it is up against a wily mosquito with the poetic-sounding name of *Anopheles balabacensis*.

This anopheline is not commonly found in Sarawak or Brunei (where there have been no indigenous cases of malaria reported since 1970).

But it abounds in Sabah's hilly interior, particularly the secondary jungle around villages, and primary forest being cleared by farmers and loggers.

A. balabacensis has developed some resistance to DDT, which is sprayed on the inner and outer walls and ceilings of houses and farm huts in malarious areas.

And the mosquito has also apparently adjusted its habits since DDT spraying was introduced.

For instead of following its natural inclination to rest on walls before and after a blood meal — when it could pick up a fatal dose of DDT — it seems to fly directly to its victims and out again.

Furthermore, *A. balabacensis* can breed in tiny pools of water, such as those that collect in tree hollows and even water buffalo hoof prints.

It would be impossible to eliminate or treat all its breeding places, which has been a successful anti-malaria measure

in Peninsular Malaysia where the disease is carried by different anophelines which breed in ditches, swamps or pools of stagnant water.

While *A. balabacensis* is the scourge of the interior, its cousin *A. sanctaeius* is believed to be a malaria carrier in coastal areas, where it breeds in pools of brackish water.

One factor in the prevalence of malaria quite beyond man's control is the weather.

Mosquito numbers decrease during dry spells when their breeding places dry up — and also during heavy monsoon periods when the larvae can be washed out of their little pools.

Another disadvantage for Sabah, as compared to Sarawak, is that most villagers live in scattered houses rather than in longhouses.

This makes it more difficult for Sabah's malaria workers to carry out spraying, mass drug administration and mass blood surveys.

It is important in anti-malaria work to obtain thorough coverage.

For mass drug administration to be effective, for example, at least 80 percent of the villagers should take the drugs. Otherwise there will probably be enough people unprotected or harbouring the parasites for the disease to continue to spread.

Spraying of DDT should also be done in nearly all the houses.

Spray teams in Sabah often find people have

gone off to work and left their houses locked — but Sarawak's longhouses are more easily covered because at least some residents are always present.

Most villagers in both states are likely to sleep at times in their farm huts, and the spray teams try to cover these scattered shelters.

But many have no walls at all and spraying is not likely to provide much protection.

Another difference between the two states is that of four kinds of human malaria parasites, Sabah suffers from a very high rate of infection by the one most likely to cause death — *Plasmodium falciparum*.

Laboratory research conducted during the past few years has shown that *P. falciparum* is resistant to the anti-malaria drug chloroquine throughout Sabah.

This means that mass drug administration with chloroquine cannot be expected to be very effective, and that many patients will not be completely cured and can harbour the parasites to be passed on to their neighbours.

There have been trials with other drugs; an effective one goes by the name Fansidar.

But the medical authorities have been reluctant to substitute Fansidar for chloroquine for mass distribution because of fears *P. falciparum* would become resistant to the new drug as well. They feel it should be kept in reserve to treat

serious cases that do not respond to chloroquine.

Sabah's Medical Department also has to contend with the problem of immigrant workers, particularly those in timber camps, who might bring the disease with them.

The department has experimented with different combinations of drugs and insecticides over the years, but the King of Diseases has been able to maintain its deadly grip on rural Sabah.

There are hopes a pilot project started in mid-March in the Tawau Residency will prove effective.

It includes the standard measures of mass drug administration and mass blood surveys, but insecticide spraying of housing will be done three times a year instead of the normal two, and there will be fogging to kill adult mosquitoes and larviciding to kill their larvae.

If these direct attacks on the living pests prove effective they would represent important new weapons.

But the adaptability of mosquitoes is such that sooner or later they may be able to change their habits or their body chemistry to resist man's chemical onslaught.

Educating villagers about how malaria spreads and how it can be prevented — by sleeping in mosquito nets, for instance — is another weapon that is being brought into play.

GOVERNMENT MONITORING ACTIVITIES OF STUDENT GROUP

Kuala Lumpur NEW STRAITS TIMES in English 5 Sep 82 p 5

[Text]

LONDON, Sat. — The Malaysian Students' Department is keeping a tighter watch on the Federation of United Kingdom and Eire, Malaysia and Singapore Student Organisation (Fuemsso), so that the group's activities will not go unchecked.

Its director, Encik Zabri Min, said the department is enlisting the help of a secret organisation to monitor Fuemsso's activities and see that they do not get out of hand.

He said Fuemsso's clandestine operations are known by the department, although it is not the department's policy to suppress student groups from voicing their opinions.

Although the department does not recognise Fuemsso, the latter is still using facilities at Malaysia Hall and the students' department through other bodies like the London Union of Malaysia Students (LUMS), Malaysian Student Association (MSA) and Malaysian Student Union (MSU).

"If the situation gets out of hand, we'll not hesitate to discontinue these groups from using our facilities in future."

He said the group is so secretive about its movements that even its leaders are not known to ordinary members. And members hardly know one another.

The groups which came under fire by Deputy Prime Minister Datuk Musa Hitam recently as being "anti-government," have been critical of government policies, Encik Zabri said.

Datuk Musa had accused them as being responsible for the visit of seven international lawyers to Kuala Lumpur recently.

"They are not only critical of the Malaysian government, but also tend to discredit governments of neighbouring countries. And their policies border on socialism and Marxism."

The department now insists that all student bodies furnish full information about their organisations, office-bearers and activities after every annual general meeting so as to gain the department's recognition and enjoy its facilities.

CSO: 4220/04

CORRUPTION HAS NOT REACHED A CRITICAL STAGE

Kuala Lumpur NEW STRAITS TIMES in English 7 Sep 82 p 3

[Text]

MALAYSIA still has ample chance to check the threat of corruption from deteriorating into a destructive stage, Professor Syed Hussein Al-Attas said yesterday.

This would require, among other things, serious and sustained anti-graft campaigns, enhancing the powers and effective use of the ACA and ensuring that civil servants are paid enough, he said.

There must be a task force and mobilisation of officials who are against corruption, within high level government officials, he said.

Prof Syed Hussein, head of Malay studies at the National University of Singapore, said as far as Malaysia is concerned, the people will get what they need from the government without resorting to corruption.

He leaves for the US soon to write a book on corruption in Asia, on an eight-month research fellowship awarded by the Washington-based Woodrow Wilson International Centre.

Prof Syed Hussein told reporters in Johore Baru that in Malaysia corruption has not reached a critical stage but it must be stopped from worsening.

"In Malaysia, unlike many other developing countries you can still get your identity cards or passports without having to resort to corruption," he said.

Prof Syed Hussein envisaged that Malaysia — by having leaders who are "dead earnest" in wiping out corruption — should begin to see results in a year or two.

Toward this the ACA must be effectively used and there must be sustained anti-corruption campaigns.

Occasional policy pronouncements without dedication is not enough, he said.

To check corruption the government must avoid the developing of a vicious-cycle where running the government becomes expensive, revenue collection dwindles and the number of civil servants increase but are

poorly paid.

Prof Syed Hussein, who claimed to have been on the anti-corruption crusade for the last 30 years, was recently in Jakarta at the invitation of the Indonesian government.

The invitation followed the sale of *Sosiologi Korupsi* — the Indonesian translation of his latest book on corruption.

He had discussions with several top Indonesian leaders, including Vice President Tun Adam Malek and Attorney-General Ismail Harris.

The Indonesian government also consulted him on how best to formulate more effective measures to stamp out corruption in that country.

He maintains that corruption in the region is neither part of the Asian culture nor is it because of the countries stage of development.

Its cause is corruption at high places coupled with the greed of the ruling class, he added. — Bernama

CSO: 4220/04

PETRONAS BRINGS IN FIRST OIL WELL

Kuala Lumpur NEW STRAITS TIMES in English 9 Sep 82 p 1

[Text]

KUALA LUMPUR, Wed. — Petronas has struck oil and gas in substantial quantities off the coast of Trengganu.

This is the first time the national oil corporation's wholly-owned subsidiary, Petronas Carigali has done so since its incorporation in 1978.

The well, located about 125 km east of Kuala Trengganu, was drilled, tested and completed yesterday by the drillship Cora.

Production tests recorded a total of 5,565 barrels

of oil per day and 10 million standard cubic feet of non-associated gas per day.

A Petronas spokesman said additional drilling would be carried out to assess the commercial potential of the discovery.

The depth of the well is 74 metres and the reservoir zones encountered are at a depth of about 1,200 metres.

The drillship has been drilling in this block — PM 6 — since May.

Petronas Carigali has drilled nine wells in its contract area in Peninsular Malaysia.

The well is the second exploratory well drilled this year within the block.

Other wells drilled were appraisal wells in the Sotong oil field and Duyong gas field.

There are now six oil-fields in production off the East Coast.

Petronas Carigali is also planning to set up five gas platforms in Duyong and Sotong, which are about 224 km off the Trengganu coast.

The first production of gas from Duyong and Sotong is expected to be piped to the shore from the processing platform in 1984.

Petronas is now producing about 125,000 barrels of oil per day from the South China Sea.

Malaysia's potential oil reserves are believed to be about 2.5 billion barrels.

Natural gas reserves off Trengganu have been estimated at more than 15 trillion cubic feet which can be exploited up to 60 years.

CSO: 4220/04

GOVERNMENT FOOD GRAIN STRATEGY OUTLINED

Kathmandu THE RISING NEPAL in English 4 Sep 82 p 3

[Text] His Majesty's Government has published details of its special food programme prepared to counter the food shortage in the country.

According to details released to press by His Majesty's Government recently in Kathmandu, the government proposed to provide maximum amount of food-grains requirement to the people without delay.

For this, the government is to expedite implementation of both long term and short term programmes in the future.

Apart from identifying different factors for the scarcity of foodgrains and rise in prices, the programme envisages the government's determination to face any foodgrains shortage.

On the present scarcity of foodgrains, the programme identifies the most important factor not as the foodgrains production of last year. Instead it is the absence of timely and adequate rains. In fact, foodgrains production last year was 10.2 percent more than on an average year, it said.

The programme details say that because of the possibility of a fall in the production of maize and paddy next year, a tendency to hoard foodgrains has increased explaining also the unavailability of foodgrains in the market.

It notes further that although there is a ban on foodgrains export, it has not been effectively administered since there is steep rise in the price of foodgrains across the border.

Weather Situation

During the last winter, most places in the Kingdom, except some in the eastern region, had more than average rainfall.

The monsoon which should have started in the May-June period was delayed this year and the Kingdom had only isolated rains.

The monsoon is expected to end by mid-September and the Terai area is also likely to get little rains after the monsoon season.

Crop Situation

The production target of 44,13,000 metric tons of foodgrains in 1982-83 is likely to fall short because of an adverse weather condition since the beginning.

Available reports and information speak of a shortfall in maize production in forty five districts.

Although the harvest prospects in the remaining thirty districts was normal production of maize crop is likely to fall short of 2,19,000 metric tons which is 28 percent less than the targetted figure of 7,95,000 metric tons.

Similarly, the harvest of summer paddy is also estimated to fall short by twenty percent. Thus only a quantity of 2,00,000 metric tons of summer paddy crops is expected to be produced.

Central Food Management Committee

A Central Food Management Committee chaired by the Defence and Industry Ministry, Mr. Balaram Ghartimagar, has been constituted to resolve the food problems and other related matters in a planned and coordinated manner.

Apart from the main committee, five other subcommittees have also been constituted to look respectively after law and order, agriculture, health, transport, and other matters.

Besides this, zonal food management coordination committees and district food management committees chaired by concerned zonal commissioners and district panchayat presidents respectively have been constituted.

Procurement

With a view to solve the foodgrains problems, His Majesty's Government will, in addition to its annual programmes, implement a special programme for six months' time.

A total of 1,04,365 metric tons of foodgrains will be mobilized under the programme. This includes 34,265 metric tons for annual programme and 70,100 metric tons for the six months' programme.

Foodgrains requirement for the additional programme will be mobilized both by internal as well as external sources. The annual requirement will be procured locally.

Regional Allocation

Regionwise, for the Eastern Development Region, 12,975 metric tons, for Central Development Region 36,935 metric tons, for Western Development Region 16,300 metric tons, for Mid Western Development Region 9,505 metric tons and for Far Western Development Region, 7,800 metric tons has been allocated.

Apart from this, a total of 21,650 metric tons of foodgrains has been kept in reserve to meet the requirement of any place.

Procurement from External Source

A total of 40,000 metric tons of foodgrains is to be made available from external sources for the six months' additional food programme. This is in addition to foodgrains made available from internal sources.

The delivery of foodgrains to be provided by the external sources will be taken by Nepal Food Corporation from the Indian railheads. [as published]

Internal Procurement

According to the annual food programme for 1982-83, 34,265 metric tons of foodgrains were to be purchased. In addition to this, 30,100 metric tons of foodgrains will be locally procured for the six months additional programme.

Purchase of Last Year's Reserve

Of the 31,922.5 metric tons of last year's reserve stock, 30,100 metric tons will be purchased for the additional programme.

Purchase of New Crop

A total of 34,265 metric tons of foodgrains will be purchased from the market for the annual food programme.

Procurement Centres

a. Entire food stock received both from the internal and external sources will be kept at the Nepal Food Corporation godowns in Terai till arrangements are made to transport the same to hill areas.

b. His Majesty's Government has opened twelve collection centres at Bhadrapur, Biratnagar, Rajbiraj, Janakpur, Birgunj, Bhairahawa, Nepalganj, Dhangadhi, Mahendranagar, Lahan, Koilabas and Seti.

Transportation

Foodgrains will be transported from the collection and relay centres to sales centres by trucks, ponnies, and will be carried by employing manual labourers. It will be airlifted to remote areas too.

Airlifting

Foodgrains will be airlifted direct from the collection centres to nine remote districts of the Far Western Development Region (Jumla, Mugu, Jajarkot, Dolpa, Humla, Doti, Bajhang, Bajura and Achham) and to remote districts of the Eastern Development Region (Khotang and Solukhumbhu).

In all 3,895 metric tons of foodgrains will thus be airlifted by STOL and Avro aircrafts.

Relay Centres

Apart from collection Centres, sixteen relay centres have been set up one each at Ilam, Dharan, Dhankuta, Katari, Sindhuli, Hetauda, Kathmandu, Nuwakot, Pokhara, Damauli, Syangia, Palpa, Dang, Surkhet, Jumla and Sanphebagar.

Relay centres at other places will also be set up according to requirement.

Sales and Distribution Centres

Sales and Distribution Centres will be opened in all districts.

Corporation Offices and Depots

The government has decided to set up 42 depots in 56 districts in addition to the existing 28 depots. The additional depots will be for the duration of the special programme. Additional depots will be opened when necessary to make available foodgrains to the people.

Sajha and Private Dealers

With a view to make the distribution network effective, arrangements have been made under which the Sajha and private dealers will be paid three percent commission for selling rice at the district headquarters and other points.

Panchayat Sales Depots

Where there is no depot or office of the corporation, local panchayats can themselves, on the recommendation of the local food management committee, open their own sales depots.

The District Food Management Committee will decide the amount of foodgrains to be allocated to such depots.

Details of Foodgrains for Dasain

According to the programme, foodgrains, as mentioned below, is to reach all the district by the first week of October. [as published]

Eastern Development Region	2193	metric tons
Central Development Region	8090	"
Western Development Region	2812	"
Mid Western Development Region	1632	"
Far Western Development Region	1362	"
	16,089	"

Irrigation

Arrangements have been made where irrigation projects will release maximum amount of water for irrigation, maximum utilization of tubewells, pumps will also be used for irrigation purposes.

Apart from this, a sum of 4.3 million rupees has been provided to different districts to help them implement other irrigation projects locally.

Additional Agriculture Programme

The production target of 6,52,000 metric tons of winter foodgrain of the current fiscal year will be increased by an additional ten percent. There is also a programme to increase pulse production by 5000 metric tons, oil seeds production by 3000 tons and potato and sweet potato production by 100 thousand metric tons.

Raising the Purchasing Power

With a view to raise the purchasing power of the people in deficit areas, employment will be given to local people through road construction, local development, irrigation, electricity and drinking water projects.

Arrangement for Health

Considering the possibility of outbreak of epidemics from the lack of adequate food and malnutrition, the programme makes provision for dispatch of medical teams to different places with adequate medicines.

To implement this, eight main depots of medicines have been opened at different places. Thirteen sub-depots have also been opened in addition to the medical depots.

Should any symptoms of infectious diseases be seen in any part of the Kingdom, emergency medical services can be provided, it said.

Permanent medical teams including doctors will be kept at the medical centres.

Preparation of this programme will be completed in the month of Mangsir (November-December) and services will be available from the month of Poush (December-January).

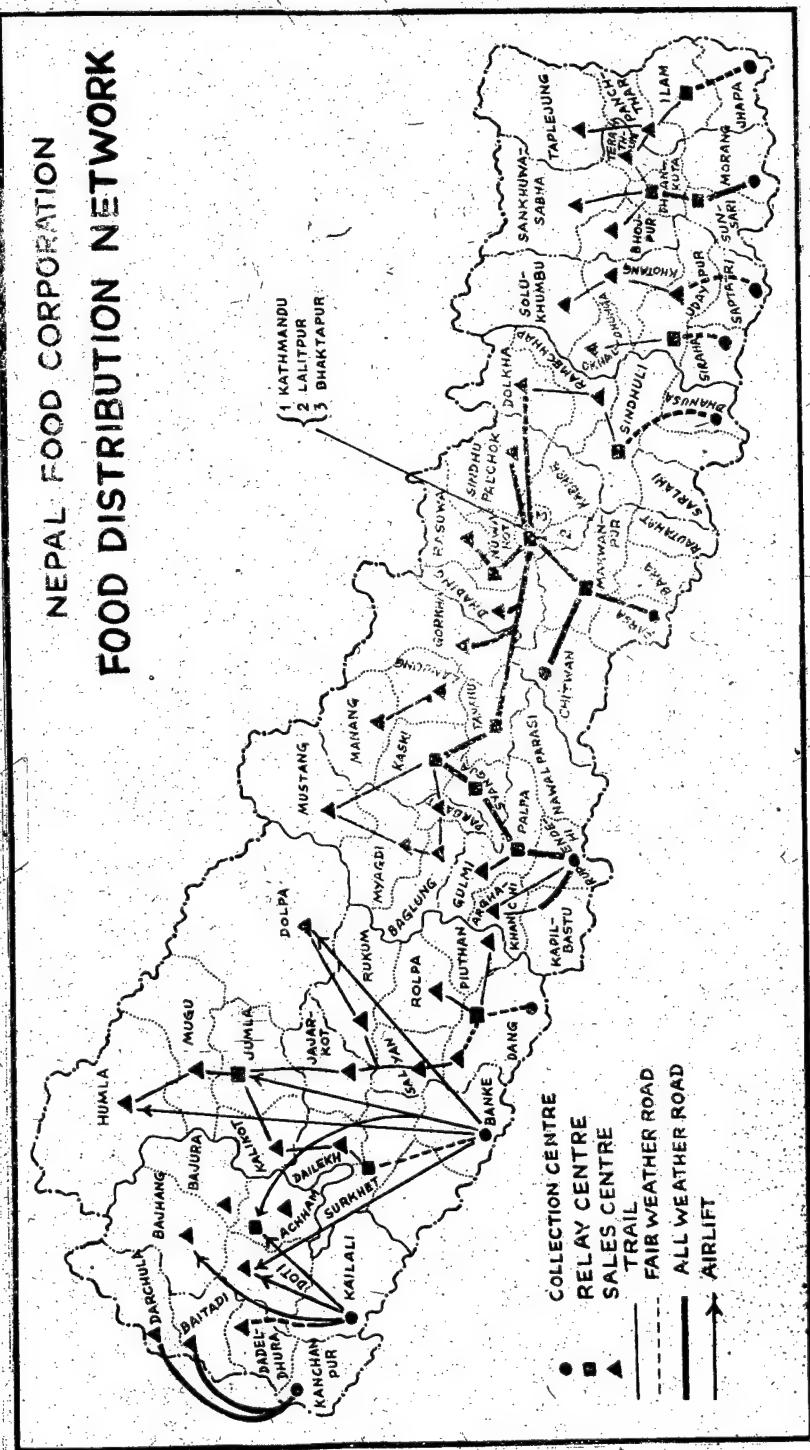
Law and Order

The programme has also made necessary provision for punishing those out to make undue profit by blackmarketing in foodgrains or otherwise taking undue advantage of the situation by indulging in irresponsible acts.

Communication

Arrangements will also be made to maintain communications with all districts of the Kingdom so that relevant information is known immediately.

NEPAL FOOD CORPORATION FOOD DISTRIBUTION NETWORK



CSO: 4200/9

NEPAL

PRESS ACT DENOUNCED AS FRAUD

Kathmandu THE MOTHERLAND in English 4 Sep 82 p 3

[Editorial: "The Press Act"]

[Text] The Press Act (amendment) tabled at the Social Committee of the Rastriya Panchayat by the Minister of State for Communications has laid bare once again the hypocrisy of the government. Though it is a little early to comment on it as the Act is still subject to discussions at the Committee itself and approval of the House. This much can be said that the government has betrayed the hope of the people in general and the fourth estate in particular about its sincerity in amending the Press and Publications Act in accordance with the much touted liberal political outlook. As presented at the Committee, the Act is no different from the existing one so far as press freedom is concerned. Some minor changes can be noticed in it, but the same have come as mere eyewash and in no way bring about any substantive change in the Act. The draconian provisions for which it has been denounced and amendment sought for, remain intact and unaltered.

The recent appeal of the President of Nepal Journalists' Association to the RP members not to take the amendment for granted and resist from okaying it as it is, gives further ground for suspecting the motive of the government. Admittedly, Prime Minister Surya Bahadur Thapa is piqued by the press, especially by the latter's exposure of his bunglings as well as those of his cabinet colleagues. In the circumstances, it will be simplistic to expect even a modicum of sympathy from him for a free press (despite his honeyed words to the journalists at informal meetings, Thapa is no friend of the press). Yet, press freedom being something that transcends the self-seeking interest of a few individuals in the larger interest of the people and the country, the RP members should make no bones about upholding it. They should see to it that the Prime Minister does not make the press a victim of his policy of taking one step forward for two steps backward in the name of reforms.

CSO: 4200/9

NEED FOR AUSTERITY PROGRAM QUESTIONED

Kathmandu THE MOTHERLAND in English 16 Sep 82 p 3

[Editorial: "Austerity for What?"]

[Text]

So the thrust of the much-talked-about Special Economic Programme (SEP) is on austerity. The emphasis in fact should have been on generating employment opportunities to salvage the people from the grinding poverty and almost zero purchasing power. Under the programme the government proposes to cut down both private and public spendings so that the savings can be invested in fruitful ventures. But the government seems to have had no specific programme which can benefit the people and the country in the long run. This becomes evident from what it proposes to do. One of the measures often re-emphasised by the present government is that energy can be saved by controlling the use of government vehicles which are mostly used for private purposes. The earlier governments too had taken recourse to this measure but it was all done in a half-hearted manner. This was so because those who were supposed to sparingly use government vehicles were the ones who misued them most. The measure was never enforced rigourously and one can say it for sure that the measure now

proposed would again die a immature death. In the first place how much can in fact be saved by resorting to the measure and secondly how the government means to utilize the savings. The government has no specific plan and programme. If the government means business, first of all it should calculate how it can really save by economising the holding of government parties and use of fossilized fuel and then it should have special plans and programmes to put to the best use whatever little is saved. Secondly, it is a misnomer to call such measures as Special Economic Programme. If this is all what the government proposes doing under the programme, it is nothing but a smoke-screen. As far as the question of the private sector is concerned, the government can really do nothing without the active cooperation of the people. And cooperation of the people is one thing which the government has never been able to get. The death of the Social Reforms Act should serve as a reminder.

CSO: 4200/9

HUGE STEEL MILL SEEN AS KEY TO ECONOMIC PROGRESS

Kuala Lumpur BUSINESS TIMES in English 11 Sep 82 p 8

[Article by Mohammas Ziauddin in Islamabad]

[Excerpts]

PAKISTAN is building a US\$2.5 billion steel mill, a giant project on which the country is pinning much of its hopes for economic progress.

Profits from the enterprise will start rolling in only by 1990, but after that year Pakistani officials predict increasing revenues from a wide range of engineering products by downstream industries.

The first blast furnace of the Pakistan Steel Mills was fired on Aug. 30, 1981, and another blast furnace will be operational by September this year. By December, the billet mill, steel converter and coke oven battery would start operation.

When the project is completed in 1986, the steel mill complex would produce 1.1 million tons of steel, 250,000 tons of coke and 135,000 tons of pig iron.

The plant promises to be a showpiece of Russian steel technology. The Soviets prepared the design for the complex, provided the technical expertise on top of a credit of 5.7 billion rupees (US\$590 million) for the construction of the complex.

Despite its gargantuan budget and the highly sophisticated technology involved in the construction of the project, the Pakistan Steel Mills is reputedly the cheapest of its kind in the world.

The Soviets conducted their own feasibility study in 1969. In 1971, Pakistan and the Soviet Union signed an agreement for the construction of the steel mill complex at Bin Qasim, some 40 kilometres east of Karachi.

Pakistan officials said that the foreign exchange component of the project, mostly coming from Russia, would reach 10 billion rupees (US\$1 billion). Pakistan would repay its loan from the Soviets through the export of products from the steel mill.

At 15 kilogrammes, the per capita consumption of steel in Pakistan is considered very low. The value of imports of iron, steel and related products last year was approximately 4 billion rupees (US\$415 million). But the country spends over US\$8 billion on machinery imports a year.

Under the Pakistani steel plant management scheme, the steel manufacturing complex would provide the domestic engineering and capital goods industry with coke, pig iron, billets, hot rolling sheets, galvanised sheets and formed sections.

These products and other by-products are expected to pave the way for the establishment of various downstream industries like: tinplate sector, large diameter pipes, coal tar fractionalisation and other by-product industries such as light oil, naphthalene oil, wash oil,

anthracene oil, coal tar pitch, ammonia sulphate plant, blast furnace, slag cement, slag brick and carbon black.

The Pakistani steel mills will provide technical knowhow and help arrange financial support to entrepreneurs in setting up downstream industries. Feasibility studies on many of these downstream projects are nearing completion.

At present, the steel mill is heavily dependent on imported raw materials. Its annual shopping list includes two million tons of iron ore, 1.3 million tons of coking coal and 50,000 tons of manganese ore.

Profit

Domestic sources will provide it with 430,000 tons of dolomite, 4,000 tons of fluorite and 44,000 tons of refractory clay annually. Pakistan imports coking coal from Australia, Brazil, Canada and the United States; iron ore is obtained from Australia, Brazil, Canada, Liberia and India.

Pakistan Steel employs 20,000 workers, and another 30,000 are working in the construction of the complex. When the construction phase of the project is completed, Pakistan Steel would retain 15,000 workers for its production units.

Mr H.N. Akhtar, chairman of the Pakistan Steel Mills, said that by 1990, the project will start to make profit in the form of engineering goods for

downstream industries. The country's total pig iron requirement is not expected to surpass 30,000 tons annually against a projected estimate of 135,000 tons.

At present, Pakistan's main outlet for its pig iron products are India and Bangladesh, while Romania is the main importer of Pakistani coke. But starting July, all of Pakistan's pig iron products would be used for the construction of the steel complex.

For downstream projects, both foreign and local investors would have the option to either purchase or set up their own plants, or enter into joint venture arrangements with Pakistan Steel Mills.

Other by-products of the steel mill include 17,000 tons of fertiliser, 46,500 tons of coal tar and gases for power generation.

Already, the thermal power plants, which was commissioned in April 1980, has attained a load of 55 megawatts of which 50 megawatts are transmitted to the Karachi Electric Supply Corporation.

Pakistan's projected annual production of 1.1 million tons would hardly put the country in the list of top steel exporters. But for the government, even this limited steel-manufacturing capability could mean the crucial difference between development and under-development. — Depthnews Asia

PAPUA NEW GUINEA

PNG PLANS TOUGH ACTION ON RECESSION

Melbourne THE AGE in English 6 Aug 82 p 8

[Text]

PORT MORESBY, 5 Aug. — The new Government of Mr Michael Somare today warned Papua New Guinea that it would adopt "a wartime or emergency mentality" to help bring the country out of economic recession.

The four-day-old Government's philosophy was conveyed by the Governor-General, Sir Tore Loko-loko, when he officially opened Parliament today.

"My government intends to review the whole range of subsistence farming with a view to making us self-sufficient and far less dependent on what we buy or import," he said.

"My government intends to embark on a do-it-yourself campaign with appropriate incentives. This will be something like the efforts made by the British during the war years."

The official opening of Parliament was preceded by a modest fanfare by the Royal Papua New Guinea Constabulary band.

Mr Somare, who was PNG's first Prime Minister at independence in 1975, mounted the dais in his usual attire of leather sandals and a lap-lap. Sir Tore lent a colonial air with a ribboned tropical naval jacket and black and red-triped military trousers.

The 108 MPs — more than half of them new members — and diplomats including the Australian High Commissioner, Mr Robert Birch, heard the opening address by Sir Tore, which was the first formal indication of the Pangu Party policies.

There were few surprises, apart from the "victory gardens" exhortation. Sir Tore said that every British housewife and businessman had a backyard vegetable garden to supplement wartime rations and Papua New

Guineans might have to follow suit.

"I would like to see every backyard in Hohola, Gerehu and Gordon (Port Moresby's major residential areas) fully utilised to grow more food," he said.

In a country where virtually all vehicles are imported from Japan and many foodstuffs come from Australia, Sir Tore said his Government would identify areas of production and consumption which could bring about self-sufficiency "as quickly as possible".

He stressed, however, that the more affluent would be asked to bear the greater burden in effecting economies. "My Government believes that the answer to many of our economic problems does not lie in the right priorities and the right Government policies only — it depends also on involving all our people and raising the morale of the whole nation.

"If the recession gets worse, let us be ready for it. We must make war on waste in any shape or form."

On foreign investment, Sir Tore said: "This is part of our economic strategy to keep the economy moving. However, my Government will insist that foreign investment is carefully monitored in the interests of the many, and not of the few.

"We will invite investors on our terms and where possible on joint ventures."

Mr Somare was expected to announce his full Ministry tomorrow — 24 hours later than he envisaged on Monday. It was understood the 21-strong Highlands bloc of MPs was pressing for more Ministries.

— AAP

CSO: 4200/9

PHILIPPINES

PEACE COUNCIL FORMED AT TOWN LEVELS

Manila PHILIPPINES DAILY EXPRESS in English 16 Sep 82 pp 1, 6

[Excerpt] President Marcos has created law enforcement coordinating committees at the national, regional and provincial levels to beef up government efforts to check criminality.

Under Executive Order No. 829 he signed before he left Tuesday for a two-week state visit to the United States, the President abolished the National Committee on Anti-Organized Crime and its duties absorbed by the Peace and Order Council to prevent, he said, overlapping of functions.

He said the newly-created coordinating bodies shall serve under the Peace and Order Council as a venue for the coordination of all law enforcement activities of various government law-enforcement agencies.

UNDER Executive Order No 829, the Law Enforcement Coordinating Committee at the national level shall consist of the chief of Constabulary and director general of the Integrated National Police as chairman, the NBI director, director of the finance ministry investigation bureau, director of the bureau of fisheries and aquatic resources, Philippine Coast Guardcommandant;

Immigration and Deportation commission, chief of the operations control of the National Intelligence and Security Authority, Customs and BIR commissioners, director of the Bureau of Forest Development, Philippine Ports Authority general manager, Aviation Security Command commanding general,

Land Transportation director, Air Transportation director, AFP civil relations service commanding general and corresponding heads of all national agencies with law enforcement duties.

The regional law enforcement coordinating committee shall consist of the PC-INP regional commander as chairman with members composed of the heads and administrators of regional or field offices with law enforcement functions and the peace and order coordinator of the region

The provincial law enforcement coordinating committee shall be composed of the PC-INP provincial commander as chairman with the heads of provincial field offices with law enforcement functions.

CSO: 4200/4

COLUMNIST ASSAILS PREM 'CLEAN' IMAGE

Bangkok MATUPHUM in Thai 2 Sep 82 p 9

[Article by Prayong Wongprayun: "The Prime Minister's Image"]

[Text] An image is not real. It is just something that arises in the minds of others and that is spread about. It is just what is said, or words, about that person or this event in broad circles.

Even though an image is not real, for those who hold political positions, their image is even more important than what is true.

Even though it may be true that a person is quiet and speaks slowly, that he is pure, that he dresses neatly and that he is honest and not dissolute, people may not see this real image because of it being concealed by some other image.

And a politician's image can "make" or "break" him during an election.

When Prime Minister Prem first became prime minister, his image was that of an "honest person" and a compromiser.

The personality of the prime minister and the political situation, which offered no other way out, enabled the major political parties to reduce the inter-party conflicts, make compromises and form a government.

Ever since he formed his first government, the prime minister has played the role of "middleman" by constantly trying to smooth over the conflicts between the various political groups.

Concerning playing the role of "middleman" and smoothing things over, in some situations it is not possible to smooth over the sharp conflicts. This was revealed in the events of 1-3 April last year.

The prime minister "is the 50th person. He waits for events to unfold by themselves" (interview with Sen Chamrik in SU ANAKHOT). This may not satisfy the young soldiers who feel that if the military does not develop properly, there should be a reform.

The prime minister has been called indecisive. At first he sided with the reform group. But because he is slow to think and act, the soldiers in another group took advantage of the situation and so the prime minister took the opportunity to immediately side with another group.

Even though the prime minister tried to play the role of compromiser again, the fact that he "was about to fall off the ladder" and used General Athit Kamlangk to maintain the stability of his government has further increased the conflicts in the army. This is because General Athit has been promoted and reached a high position too quickly.

It is only natural for a tall tree to fall with a crash. The dissatisfaction in army circles over General Athit extends from those who disagree [with him] to the "older soldiers" whom General Athit bypassed [on his way to the top].

General Athit's image is that of a strong and hotheaded person who is not an expert in politics but who is very diligent.

General Athit's image is like a shadow of the prime minister's image. There are many people who, when they see this shadow, dislike the prime minister.

Concerning the first explosion on 16 July at the Lopburi Artillery Center that was aimed at the prime minister, it is believed that this happened because of this conflict.

It may not be possible to find out who did this. But in the eyes of the people, the prime minister is a soldier. He went to a military camp because of business concerning military dictatorship. He had "warlords" to protect him, and the weapon used in the attempt on his life was a military weapon.

Then, 1 month later, there was a second explosion at his house, which is in an army zone.

The mass groups formed by the government, which include the Volunteer Defense Corps and the Village Scouts, all came to give encouragement to the prime minister.

Although General Kriangsak said in an interview that such support is not lasting, it cannot be denied that the image of the prime minister and that of his government improved and that the image is one of a "government that is still popular with the people."

Everything seems to be all right; everything seems to be calm. The government is still supported by the people. In the military, it is backed by the General Athit and General Prayut groups. The various political parties are all busy with the election to be held next April. The appointments and transfers in the Police Department have almost all been completed. Although the appointments and transfers in the army have been greatly criticized, it does not seem that there will be any conflicts.

The prime minister went to Korat to celebrate his birthday. (Even though he was born in the south, Korat is a more important political base for him.)

A birthday celebration would be a common event if the prime minister were an ordinary Thai. But he is the prime minister. He is the one who once promised that he would not allow government officials to be extravagant in their work. His image was that of a person who would eliminate extravagance in Thai society at a time when there was an economic depression. Several people have spoken on his behalf, saying that he did not know about this [the birthday celebration] and that it was arranged by others.

There seems to be a good explanation. None of the high-ranking people "would do anything wrong and they have never done anything wrong." Everything was arranged by his subordinates.

But this party was not a small affair. There were large-scale preparations. And what is important is that the party was held at his house. His secretary or close associates cannot say that he did not know anything about this.

But this is all very minor. What is not good is that all the people who went to celebrate his birthday were high-ranking military "warlords." The prime minister reached Korat at 1630 hours (the time when government officials get off work). And concerning these "warlords," did the prime minister think he was engaged in government business or in some private matter?

The prime minister spoke about corruption in Order 66/1980 and in Order 65/1982. What was he referring to? Doesn't he realize that what has been happening to him is the start of corruption?

All the newspapers reported that the prime minister was surrounded by soldiers and police to protect him. And at the party, reporters were not allowed to attend, which [prevented them] from gathering news to inform the people.

Officials in charge of security claimed that this was a private affair and that reporters would not be admitted. This is offensive. While the prime minister is just an ordinary person too, it must not be forgotten that the people believe that, as a politician, the prime minister is an honest person who prefers solitude. That is the same image [people have of] General Prem Tinsulanon, ordinary citizen.

Since the two images are the same, I do not see why it was necessary to exclude the reporters.

Everyone would like to know how our prime minister celebrated his birthday.

Concerning the fact that soldiers guarded him so closely, in the eyes of the people, the prime minister is not safe at all.

In my view, the image of the prime minister as having the support of the people (even though this refers to the Volunteer Defense Corps and the Village Scouts, it still seems to refer to the people) and the image of him surrounded by heavily-armed soldiers do not seem to match.

I think that his political advisors will have to work hard to build a wonderful image for the prime minister again.

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COLUMNIST SCORES MALAYSIA ON BORDER ISSUE

Bangkok BAN MUANG in Thai 26 Aug 82 p 5

[Ta Mo Lo column: "A Method That Must Be Revised"]

[Text] Thailand and Malaysia are quietly involved with each other politically. Quietly but deeply. The Thai-Malaysian border problem concerns the bandit terrorists and the Malaysian communist guerrillas.

As the chairman of the Thai-Malaysian Border Committee, General Saiyut Koetphon, the supreme commander, will go attend a meeting of this committee this week. As the head of the Thai delegation, General Sitthi Chirarot, the minister of interior, will attend also. The meeting will be held in Malaysia.

The problem is that there are two political bandit groups active along the Thai-Malaysian border and they are creating problems for both sides. One of these groups is the bandit terrorists. This group uses Malaysian territory as its base area and carries out acts of terrorism in Thailand. The other group, the Malaysian communist guerrillas, uses Thailand as a secure base and carries out acts of terrorism in Malaysia.

The governments of both Thailand and Malaysia have agreed to cooperate in suppressing both these groups.

The Malaysian communist guerrillas are Malaysian communist terrorists while the bandit terrorists are separatists who want to split the three southern Thai provinces away from Thailand. Some of the separatists want to establish an independent Islamic state; others want to have this area become a part of Malaysia.

There are several bandit terrorist groups. Some Arab countries have given financial support and weapons to these groups and some political parties in Malaysia support them too.

The Thai and Malaysian governments signed a treaty to cooperate in suppressing both the Malaysian communist guerrillas and the bandit terrorists. Suppression operations have been underway for 20 years but nothing has been achieved.

In this treaty, there is one strange point and that is that Malaysia has the right to pursue the Malaysian communist guerrillas into Thailand. But Thailand does not have this right [with respect to the bandit terrorists].

Whenever newspapers criticize this agreement, high-ranking people in Thailand just mutter incoherently.

Concerning cooperation under these strange conditions, joint operations, using various names, have been launched several times. But nothing has been achieved.

Political problems have arisen because of misunderstandings between local Thai and Malaysian officials. That is, Malaysia feels that we are not serious about suppressing the Malaysian communist guerrillas. And they have even charged that we are "supporting the Malaysian communist guerrillas." And Thailand feels that Malaysia is not serious about suppressing the bandit terrorists and is "supporting the bandit terrorists." This misunderstanding runs very deep.

Thus, Malaysia and Thailand (at the local level) do not see "eye to eye" and are wary of each other. This wariness is spreading to higher echelons like a temperature that is rising.

And 2 to 3 days ago, Lieutenant General Han, the commanding general of the Fourth Army Area, smashed a "nest" of the Malaysian communist guerrillas and said that China was the leader of these Malaysian communist guerrillas who had been living in this area for 30-40 years. But he said that it would be a long time before they could build up their position here again.

Since the Fourth Army Area has smashed the secure base, or underground capital, of the Malaysian communist guerrillas, the conditions have changed. We have proved that we have really acted in accord with the treaty and shown that Thailand is not supporting the Malaysian communist guerrillas as Malaysia thinks.

Previously, we could not do anything to the Malaysian communist guerrillas because we could not find the target, or heart of the Malaysian communist guerrillas.

Malaysia is very excited about the fact that the Fourth Army Area has smashed the underground capital of the Malaysian communist guerrillas. Malaysia is beaming. And since we have done this for Malaysia, it is time that Malaysia did something for us.

Mr Saiyut and Mr Sitthi have gone to attend a meeting of the Thai-Malaysian Border Committee. The exact nature of the talks has not been revealed, but it is believed that they will discuss this matter.

Concerning the strange fact that Malaysia can sent troops to suppress the Malaysian communist guerrillas in Thailand while we cannot enter Malaysia to suppress the bandit terrorists, who are our enemies, I think I understand the thinking of Malaysia. The bandit terrorists say they are Moslims and so Malaysia does not dare take action against them. This is erroneous thinking on the part of Malaysia. The bandit terrorists are using religion as a cover to create problems, and they are actually causing suffering for the Moslims and making things unsafe for the Moslims here. Will Malaysia allow this situation to continue without end?

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MILITARY-BUSINESS POLITICAL LINKS CRITICIZED

Bangkok MATICHON in Thai 5-11 Sep 82 p 3

[MATICHON Essay: "'Political Soldiers' and 'Professional Soldiers,' What Are They?"]

[Text] To date, people in general and even the soldiers themselves are not in complete agreement about what is meant by "professional soldier" and "political soldier."

Some people say that "if a soldier wants to play politics, he should first leave the military. And soldiers who hold political positions frequently say "I am a soldier, not a politician."

Such statements have further increased the confusion over the words "professional soldier" and "political soldier."

Why is it that only soldiers are opposed? Why aren't civilians who meddle in politics opposed too? These are questions that can be answered only by considering the facts in recent political history.

Political scientists have explained the historical importance of the change of government that took place in June 1932. One point is that political power passed from the king to the younger generation of civilian bureaucrats and soldiers.

One trend during the past 50 years has been that, instead of having just one "lord," there have been several "lords" in a dictatorship of military and civilian officials, which is a fear once expressed by King Rama VII.

And in particular, ever since the coup of 1947, the military officials who played a part in that coup were not rewarded only "militarily" by rising in rank quickly, an example being Lieutenant General Kat Katsongkhram, who was promoted from Lieutenant Colonel. They have also been given political positions. For example, they have served as type-2 MPs and as ministers of various ministries.

The young ministers such as Lieutenant General Sarit Thanarat, Police Lieutenant General Phao Sriyanon, Lieutenant General Banyat Thephatsadin Na Ayuthaya, Colonel Siri Siriyothin and Major General Thanom Kittikhachon were all members of the coup group who joined together with Lieutenant General Phin Chunhawan on 8 November 1947.

One thing that can be called a new step is that many state enterprises were formed and these people became members of the board. Besides this, some of those who had trade power cooperated with foreign capitalists and agents to form companies to engage in trade and make money in cooperation with bureaucratic sectors.

A survey conducted by experts from the Economics Association, Thammasat University, found that, from just the telephone directory, the number of companies with which Field Marshal Sarit, Field Marshal Thanom, Field Marshal Praphat and General Krit and their families were involved reached 159 companies. Field Marshal Sarit was involved with 26 companies, Field Marshal Thanom with 33, Field Marshal Praphat with 59 and General Krit Siwala with 41.

This shows that the nation's bold soldiers are not just soldiers. They are also politicians and businessmen. And the more time they spend as merchants and politicians, the less time they have to be professional soldiers.

After the events of 14 October 1973, soldiers were harshly criticized for playing politics and using their military and political positions to make business profits. And even now, there are still some soldiers who are also engaged in politics and trade. But most of the soldiers have returned to their "posts" and are trying to be "professional soldiers" who are aware of their duties as stipulated in the constitution.

At present, we are seeing more and more honorable "professional soldiers." But this does not mean that the "political soldiers" and the "merchants soldiers" who play politics and who seek illegal business profits will completely disappear.

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PREM-HAN RELATIONSHIP DESCRIBED

Bangkok MATICHON in Thai 29 Aug-4 Sep 82 p 3

[MATICHON Essay: "Are Prem and Han Still So Close?"]

[Text] When Lieutenant General Han Linanon, the commanding general of the Fourth Army Area, "criticized" the commercial banks rather strongly, one question of the bankers and people who follow the political movements of important members of the "national army" was: Do the views of General Han Linanon still reflect the views of General Prem Tinsulanon, who has not made any remarks on this?

To date, none of these people, particularly the "major commercial bankers," are sure whether Lieutenant General Han will really take any action or whether this is just a matter of "stealing the flag" from the CPT. But it seems more likely that this is really a new movement by the "national army" in accord with Office of the Prime Minister Order 65/1982.

As General Kriangsak Chamanan would say, this "silence" on the part of General Prem Tinsulanon makes it seem like there are still many things about the commercial bankers that are being kept secret.

The more you look at the past relationship between General Prem and Lieutenant General Han, the more awe you feel.

These two generals have worked together very closely and thought like "one person" ever since [then] Major General Prem Tinsulanon was the deputy commanding general of the Second Army Area and [then] Lieutenant Colonel Han Linanon was a staff officer with the Second Army Area.

Admidst this life-and-death struggle against the communists in the northeast, these people did not learn about communism from textbooks only; they also learned from their real experiences. In the end, the idea that "politics leads the military" gradually came into being and the idea of a "national army" gradually took shape. The Thai Self-Defense Volunteers gradually developed into the Volunteer Defense Corps and many other mass groups.

During that period, it can be said that, when Colonel Han, who was then serving as the deputy chief of staff of the Second Army Area, spoke, it was the same as if Lieutenant General Prem, who was then the commanding general of the Second Army Area, was speaking. Thus, these two people were like a "body and its shadow."

When General Prem became RTA CINC in 1978, Colonel Han Linanon was promoted to major general and made chief of staff of the Second Army Area.

In October 1979, Major General Han Linanon was moved from his position as chief of staff of the Second Army Area and made the director of operations. In April 1980, Office of the Prime Minister Order 66/1980 was announced as the national policy to defeat the communists with the strong backing of the Directorate of Operations.

In October 1980, Major General Han, the director of operations, was promoted to lieutenant general and made assistant chief of staff of the army for operations. In October 1981, Lieutenant General Han was made commanding general of the Fourth Army Area and given the task of eliminating the military problems and destroying the rather strong secure bases of the southern branch of the CPT.

After implementing the "Tai Rom Yen" policy in accord with Order 66/1980, both political and military offensives were launched until it was certain that Camp 508, which was believed to be very strong, of the Surat Thani communists had been destroyed. Lieutenant General Han was the first person to propose that the national army must launch a strong political offensive.

Finally, Office of the Prime Minister Order 65/1982, which is a political offensive plan aimed at annihilating the indirect united fronts of the communists, was promulgated.

As of now, the question of whether Lieutenant General Han strongly "criticized" the negative role of the commercial banks on his own or whether he did this in accord with the policies of Order 65/1982 or whether his views are just a reflection of those of General Prem cannot be answered correctly. Because the only one who knows for sure is General Prem.

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